

Pires Investments plc

(formerly Oak Holdings plc)

(Incorporated in England and Wales with registered number 02929801)



**Annual report and financial statements
for the year ended 31 October 2011**

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

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PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

COMPANY INFORMATION

DIRECTORS

P Redmond (*chairman*)
A A Quraishi (*non-executive*)
C J Yates (*finance*)

SECRETARY

C J Yates MA ACA

REGISTERED OFFICE

38 South Molton Street,
London,
W1K 5RL

AUDITOR

Welbeck Associates
Chartered Accountants
31 Harley Street
London
W1G 9QS

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London
EC2V 6AX

BROKER

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EC2M 5SY

REGISTRARS

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Bridgwater Road
Bristol
BS99 7NH

COMPANY REGISTRATION NUMBER 02929801

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

DIRECTORS' STATEMENT

This report covers the results for the year to 31 October 2011, which has been a difficult year for the Company.

The results of the Group for the year ended 31 October 2011 are set out below. The results have been prepared, as before, under IFRS therefore activities which have been discontinued in the year (property development, consultancy and operations connected with the Rother Valley Country Park) are shown as a single net result line at the bottom of the results table. In addition the prior year's results are restated on the same basis.

The results to 31 October 2011 show a loss of £571,654 from continuing activities on revenue of £54,587 (2010 restated. £651,089 on £63,855) and a total loss for the period of £1,779,886 after a loss on discontinued activities of £1,208,232 (2010: £11,482,060 after £10,830,971 for discontinued activities).

The Company announced on 24 January 2011 that Rotherham Metropolitan Borough Council ("RMBC") terminated the development agreement pursuant to which the Company was progressing the development of the YES¹ Project on land owned by RMBC.

Following this termination and the resignation of the Company's Chief Executive Officer, the board concluded that the Company would no longer continue the activities of property development or consultancy but would focus on, and expand its activities in, the leisure sector.

On 21 October 2011 the Company announced that RMBC terminated the interim management agreement under which the Group was managing the Rother Valley Country Park which at that time was the Group's major source of revenue.

Within continuing activities, Ringwood Town and Country Experience Limited had a poor year reflecting a continuing inability for the Group to invest in marketing. Oak Heritage Limited continued to trade at around breakeven - the major operation continued to be the refurbishment of a further Hispano Suiza.

In discontinued activities, the major element of the loss arose from the making of a provision of £1,153,740 against the value of the A57 land which has, in the absence of any activity on the YES¹ Project site, little value above the bare agricultural value at which it is being sold back to the vendor.

Rother Valley Country Park Limited ("RVCP") and Rother Valley Steam Railway Limited traded profitably before inter group management charges up to the time of the termination of the interim management agreement. The termination of the agreement and the terms on which it occurred meant that a number of assets of that company had to be provided against as they either had no continuing value to the Group or were taken without compensation by RMBC pursuant to the agreement.

The appropriate provisions to write down these assets and provide for the termination of various trading contracts that RVCP had entered into led to the RVCP operations reporting a loss overall for the year.

On 21 October 2011 and as a consequence of the above events the Company requested that trading in its shares on AIM be suspended pending clarification of the Company's financial position. Since that date the Company has continued to seek to raise funds in order to further the Company's objectives.

In early 2012 the board was approached with a view to an investment of new equity by new investors provided the Company became an investing company and undertook inter alia a creditors' voluntary arrangement. The directors concluded that this was the best approach for creditors and members of the Company. The alternative was liquidation of

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

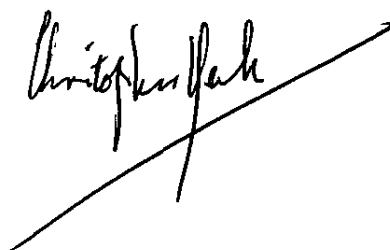
DIRECTORS' STATEMENT (continued)

the Company with little expectation of any return to unsecured creditors and no return to shareholders. Accordingly, the Company set out proposals in a circular to shareholders dated 22 March 2012. At a general meeting of the Company held 16 April 2012 all resolutions were passed, including the approval of a CVA, the disposal of remaining trading assets of the Company and adoption of an investing policy. The Company is being renamed Pires Investments PLC. The disposal of the remaining trading assets of the Company was also completed on 16 April 2012.

Following the general meeting the Company will have no significant liabilities and has, as announced, raised £1 million through a placing of new shares to fund the CVA and to pursue the Company's newly approved investing policy.

Christopher Yates
On behalf of the Board

17 April 2012

A handwritten signature in black ink, appearing to read 'Christopher Yates', is written over a long, diagonal line that extends from the bottom left towards the top right.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

DIRECTORS' REPORT

The directors present their report and the financial statements for the Group for the year ended 31 October 2011.

Results and dividends

The Group's loss for the year before taxation on continuing activities was £571,654 (2010: £651,089). The loss for the period after tax and including discontinued activities was £1,779,886 (2010: £11,482,060). Included in discontinued activities is a provision against the value of the A57 land to write it down to its value for agricultural use as the directors are unable to see with confidence the development value of this land following the termination of the YES! Project and the lack of progress to date on any successor project which might use the access across this property. The 2010 result was struck after providing against the whole of the goodwill previously carried (essentially attributable to the YES! Project) which gave rise to an impairment charge of £10,828,446 following the termination of the development agreement relating to the YES! Project.

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

Principal activities

The principal activities of the Group until 16 April 2012 were operating the museum and restaurant facility in Ringwood and the classic car refurbishment business. During the year under review, the Group was also involved in the development of the YES! Project, the provision of property consultancy and the operation of the Rother Valley Country Park. Following the termination of the development agreement with Rotherham Metropolitan Borough Council on 31 January 2011 the development activity has ceased and the property consultancy business ceased subsequently. The operation of the Rother Valley Country Park ceased when the interim management agreement with Rotherham Metropolitan Council was terminated on 20 October 2011. A review of activities is given in the Directors' statement.

Business review and future developments

At the General Meeting held on 16 April 2012, members approved the adoption of an investing policy for the Company to invest, principally but not exclusively, in the resources and energy sectors and full details of the policy adopted were set out in a circular to members dated 22 March 2012 and are set out on the Company's website. Certain other actions described under "Post Balance Sheet Events" below were also approved or implemented in association with this change. A review of activities is given in the Director's statement on pages 3 and 4.

Post Balance Sheet Events

On 5 March 2012, Rother Valley Country Park Limited was placed in a compulsory creditors' winding up and the directors do not anticipate that the Company will receive any distribution as the shareholder.

At that General Meeting held on 16 April 2012, as well as approving the adoption of an investing policy, members also approved a creditor's voluntary arrangement for the Company, a reconstruction of the ordinary share capital of the Company, the resolutions necessary to implement a placing of new ordinary shares and the disposal of the group's trading assets. This disposal was completed on 16 April 2012 with the sale of the entire issued share capitals of Oak Heritage Limited and Rother Valley Steam Railway Limited and of the business and assets of Ringwood Town & Country Experience Limited. A placing raising £1m by an issue of new ordinary shares was completed on 17 April 2012 and a further placing to raise £0.7 million was announced on 17 April 2012.

On 18 April 2012, the Company's change of name to Pires Investments plc became effective and the trading of the Company's ordinary shares on AIM was restored.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

DIRECTORS' REPORT (continued)

Principal risks and uncertainties

Reliance on individuals

The success of the Company in implementing the newly adopted investing policy depends largely upon the expertise of the directors and their ability to identify suitable investment opportunities to implement the Company's strategy. The loss of one or more of the directors could have an adverse effect on the Company.

Market Risks

The value of the Company's assets will depend, to a significant degree, on the Company's ability to identify and make suitable investments in a reasonable timeframe. The Directors intend that appropriate due diligence be carried out by the Company on potential prospects, but there is an inherent risk in researching companies or businesses.

Funding

It is likely that, if the Company identifies and wishes to pursue a reverse takeover, it will need to raise further funds for further working or development capital. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to invest on a basis which is acceptable to shareholders.

Key performance indicators

As described above, the Company's business has changed from being a holding company for a group to being an investing company with effect from 16 April 2012. As a result of the recent timing of this change the directors have yet to formally identify the key performance indicators for the business which they will monitor.

Directors

The following directors have held office since 31 October 2010:

P D Collins (resigned 16 April 2012)
S A Hamilton-Holbrook (resigned 28 April 2011)
S B Lewis (resigned 9 March 2011)
A A Quraishi (appointed 16 April 2012)
P Redmond (appointed 16 April 2012)
M C Woodcock (resigned 16 April 2012)
C J Yates

Financial risk management

Details of the Group's financial instruments and financial risk management policies can be found in note 3 to the financial statements.

Creditor payment policy and practice

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.

During the year, the Group was unable to adhere to its creditor payment policy. The Group intends to adhere to the policy going forward as soon as it has the funding to do so.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

DIRECTORS' REPORT (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 329 days (2010: 195 days).

Charitable and political donations

No charitable or political donations were made during the year (2010: nil).

Going concern

Following the acceptance by creditors and members of the then directors' proposal for a creditors' voluntary arrangement on 16 April 2012, the Company has completed a placing to raise £1m and received commitments from investors for a further placing to raise £0.7m which will complete in April 2012 which the directors believe provides adequate finance for the Company for the coming period.

These accounts have therefore been prepared on a going concern basis although shareholders' attention is drawn to the Directors' statement and note 3 to the financial statements.

Auditor

Hazlewoods LLP resigned as auditor to the Company on 21 March 2012 and Welbeck Associates were appointed by the directors to fill the vacancy arising.

In the case of each of the persons who are acting as directors of the Company at the date when this report was approved:-

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of the which the Company's auditor is not aware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Welbeck Associates have expressed their willingness to continue in office as auditors and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

Directors' interests

The directors' beneficial interests in the share capital of the Company as at 31 October 2011 were:

	Ordinary shares of 5p each 31 October 2011 (note 1)	Ordinary shares of 5p each 31 October 2010 (note 2)
P D Collins (note 3)	2,211,432	2,211,432
S A Hamilton-Holbrook	-	-
S B Lewis (note 3)	3,825,442	3,825,442
P Redmond (note 4)	-	-
A A Quraishi (note 4)	-	-
M C Woodcock	3,632,195	2,159,229
C J Yates	200,000	200,000

Notes:

1 In the case of directors who resigned during the year, at the date of resignation

2 In the case of directors appointed during the year, at the date of appointment

3 P D Collins and S B Lewis had interests in share options during the period and these are detailed in the Corporate Governance Report

4 On 17 April 2012, the board granted to each of P Redmond and A A Quraishi a warrant over 1.5% of the Company's issued ordinary share capital from time to time exercisable at 0.1p per new ordinary share at any time up to 17 April 2015

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

DIRECTORS' REPORT (continued)

Substantial shareholders

As at 16 April 2012, the Company had been notified of a number of shareholdings of 3% or more of the then issued ordinary share capital but none of these holdings represent 3% or more of the issued ordinary share capital at 24 April 2012. As at that date the Company has not been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules, and is not aware, of any beneficial holdings by an individual shareholder or group of connected shareholders whose aggregate holding is 3% or more of the current issued ordinary share capital.

Statement of directors' responsibilities

The directors are responsible for preparing 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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent Company financial statements under IFRSs as adopted by the EU. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, International Accounting Standard 1 requires the directors to.

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Disclosure of information

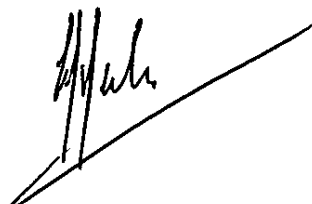
In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant available information of which the Company's auditors are unaware; and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

The directors are also responsible for the maintenance and integrity of the investor information contained on the website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

C J Yates
Director
25 April 2012



PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

CORPORATE GOVERNANCE REPORT

Unaudited information

As an AIM listed company, Pires Investments 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.

During the year, the board has met on a formal basis usually once per month. At those meetings a report from the Finance Director has been presented and discussed and the progress of the Group's operations have been considered in detail. The board considers risk and strategy at each meeting.

During the year, an Audit Committee comprised Peter Collins (Chairman) and Mike Woodcock until their resignations and is now comprised of Aamir Quraishi and Peter Redmond. 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 during the year.

The Company has a Remuneration Committee which comprised Peter Collins (Chairman) and Mike Woodcock until their resignations and now comprises Christopher Yates and Peter Redmond as Chair. The policy of the Company on executive remuneration is to reward individual performance and motivate and retain existing executive directors so as to promote the best interests of the Company and enhance shareholder value. The remuneration packages of executive directors are reviewed and approved by the Remuneration Committee on an annual basis. Executive directors are paid a basic salary. The remuneration of non-executive directors is approved by the board. Individual non-executives do not participate in decisions concerning their own remuneration. The remuneration of any other employees would be the responsibility of the Chairman.

Share-based payments

The Company has operated 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.

At 31 October 2011, P D Collins held an option to acquire 1,828 shares in the Company at a price of £43.75 per share which is exercisable at any time up to 26 February 2017.

No options were granted or exercised during the year.

During the year, S B Lewis resigned as a director of the Company and, as a result, forfeited an option he held to subscribe shares in the Company. The number of shares would have been, after the re-organisation of the share capital on 16 April 2012, 9,828.

The part of this report set out below is included within the scope of the auditor's opinion on pages 12 and 13.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

CORPORATE GOVERNANCE REPORT (continued)

Audited information

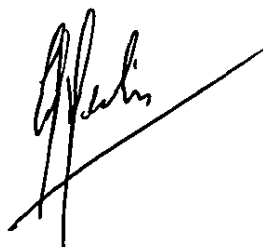
Remuneration of the directors

During the period, the following remuneration and other benefits were charged to the Company:

	Salaries	Fees	Total 2011	Total 2010
	£	£	£	£
S B Lewis	16,667	-	16,667	50,000
P D Collins	-	15,000	15,000	10,583
M C Woodcock	80,000	-	80,000	16,000
S Hamilton-Holbrook	47,222	-	47,222	20,833
C J Yates	56,250	-	56,250	4,167
	<u>200,139</u>	<u>15,000</u>	<u>215,139</u>	<u>101,583</u>

On behalf of the board

C J Yates
Director
25 April 2012



PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

AIM RULE COMPLIANCE REPORT

Pires Investments plc is traded on AIM and, as such under 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 the 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 met, they are considered by the whole board.

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

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIRES INVESTMENTS PLC

We have audited the consolidated and parent financial statements of Pires Investments Plc for the year ended 31 October 2011, which comprises the consolidated income statement and statement of comprehensive income, consolidated and company balance sheets, consolidated and company statement of changes in equity, consolidated and company statement of cash flows, and the related notes on pages 18 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statements set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This included an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all financial and non-financial information in the Directors' Statement, Directors' Report and Statement of Corporate Governance to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the Group and Parent Company's affairs as at 31 October 2011 and of the Group's and Parent Company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applies in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been properly prepared in accordance with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PIRE INVESTMENTS PLC (continued)**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion

- The information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Bradley-Hoare (Senior Statutory Auditor)

For and on behalf of Welbeck Associates
Chartered Accountants
Statutory Auditors

31 Harley Street
London
W1G 9QS

Date 25 April 2012

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 October 2011

	Note	2011 £	2010 (restated) £
CONTINUING ACTIVITIES			
Revenue	6	54,587	63,855
Administrative expenses		(561,952)	(759,018)
Release of liabilities		-	49,933
Operating loss from continuing activities	7	(507,365)	(645,230)
Finance income		4	10
Finance costs	8	(64,293)	(5,869)
Loss before taxation from continuing activities		(571,654)	(651,089)
Tax	10	-	-
Loss for the period from continuing activities		(571,654)	(651,089)
Loss from discontinued activities	11	(1,208,232)	(10,830,971)
Loss for the period attributable to equity holders of the Company		<u>(1,779,886)</u>	<u>(11,482,060)</u>
Loss per share			
Equity holders			
From continuing activities	12	(1.0)p	(1.5)p
From continuing and discontinued activities	12	(3.2)p	(27.2)p

The comparative figures for 2010 have been restated to reflect the effect of discontinued activities.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 October 2011

	Share capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total £
Group						
Balance at 1 November 2009	7,565,067	3,017,818	164,667	5,197,319	(6,101,976)	9,842,895
Loss for the year ended 31 October 2010	-	-	-	-	(11,482,060)	(11,482,060)
Issue of shares	2,022,036					2,022,036
Cost of share based awards	-	-	-	-	43,106	43,106
Transfer of merger reserve on write down of associated goodwill	-	-	-	(5,197,319)	5,197,319	-
At 31 October 2010	9,587,103	3,017,818	164,667	-	(12,343,611)	425,977
Loss for the year ended 31 October 2011	-	-	-	-	(1,779,886)	(1,779,886)
At 31 October 2011	9,587,103	3,017,818	164,667	-	(14,123,497)	(1,353,909)

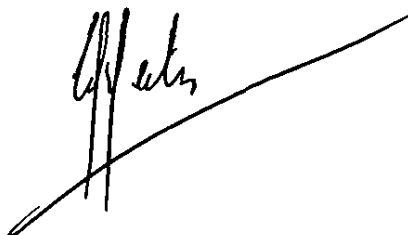
	Share capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total £
Company						
Balance at 1 November 2009	7,565,067	3,017,818	164,667	5,197,319	(4,389,297)	11,555,574
Loss for the year ended 31 October 2010	-	-	-	-	(12,971,657)	(12,971,657)
Issue of shares	2,022,036					2,022,036
Cost of share based awards	-	-	-	-	43,106	43,106
Transfer of merger reserve on write down of associated investment	-	-	-	(5,197,319)	5,197,319	-
At 31 October 2010	9,587,103	3,017,818	164,667	-	(12,120,529)	649,059
Loss for the year ended 31 October 2011	-	-	-	-	(1,511,801)	(1,511,801)
At 31 October 2011	9,587,103	3,017,818	164,667	-	(13,632,330)	(862,742)

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)*(Incorporated in England and Wales with registered number 2929801)***BALANCE SHEETS****at 31 October 2011**

	Note	Group		Company	
		2011	2010	2011	2010
		£	£	£	£
Non-current assets					
Goodwill	13	-	-	-	-
Property, plant and equipment	14	489,532	1,687,608	167,611	1,321,040
Investments in subsidiaries	15	-	-	203	203
Total non-current assets		489,532	1,687,608	167,814	1,321,243
Current assets					
Inventories	16	552,736	579,783	-	15,000
Trade and other receivables	17	21,283	81,498	932,009	835,847
Cash and cash equivalents		1,049	1,645	-	52
Total current assets		575,068	662,926	932,009	850,899
Total assets		1,064,600	2,350,534	1,099,823	2,172,142
Equity					
Issued share capital	18	9,587,103	9,587,103	9,587,103	9,587,103
Share premium		3,017,818	3,017,818	3,017,818	3,017,818
Retained earnings		(14,123,497)	(12,343,611)	(13,632,329)	(12,120,529)
Capital Redemption Reserve		164,667	164,667	164,667	164,667
Total equity		(1,353,909)	425,977	(862,741)	649,059
Liabilities					
Non-current liabilities					
Borrowings	19	4,234	18,237	-	-
Total non-current liabilities		4,234	18,237	-	-
Current liabilities					
Borrowings	19	1,143,605	1,038,871	1,083,512	1,003,667
Trade and other payables	20	1,270,670	867,449	879,052	519,416
Total current liabilities		2,414,275	1,906,320	1,962,564	1,523,083
Total liabilities		2,418,509	1,924,557	1,962,564	1,523,083
Total equity and liabilities		1,064,600	2,350,534	1,099,823	2,172,142

These financial statements were approved and authorised for issue by the board of directors on 25 April 2012 and were signed on its behalf by

C J Yates
Director



PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

STATEMENTS OF CASH FLOWS
for the year ended 31 October 2011

	<i>Note</i>	Group 2011 £	2010 £	Company 2011 £	2010 £
<i>Cash flows from operating activities</i>					
Net cash absorbed by operating activities	21	(15,418)	(439,417)	(21,747)	(608,728)
<i>Cash flows from investing activities</i>					
Payments to acquire tangible fixed assets		(11,619)	(45,157)	(361)	(41,969)
Cash consideration for acquisitions		-	(85,000)	-	(200)
Net cash used in investing activities		(11,619)	(130,157)	(361)	(42,169)
<i>Cash flows from financing activities</i>					
Net advances on loans		222,008	98,600	211,187	98,600
Cash from subscriptions for new shares		-	650,000	-	650,000
Repayment of bank loans		(125,000)	(105,935)	(125,000)	-
Repayment of vendor mortgage loan		(5,949)	(100,000)	(5,949)	(100,000)
Increase/(decrease) in bank overdrafts		16,969	16,418	(393)	3,067
Repayments of obligations under hire purchase contracts		(17,297)	(14,054)	-	-
Net interest paid		(64,290)	(5,859)	(57,789)	(718)
Net cash from financing activities		26,441	539,170	22,056	650,949
Net (decrease)/increase in cash and cash equivalents during the year		(596)	(30,405)	(52)	52
Cash and cash equivalents at beginning of year		1,645	32,050	52	-
Cash and cash equivalents at end of year		1,049	1,645	-	52

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011

GENERAL

1 INFORMATION

Pires Investments plc ("the Company") and its subsidiaries (together "the Group") were during the year property developers and consultants and the operators of leisure activities. By the end of the year, the activities of property developers and consultants had ceased and also the Group's activity of operating the Rother Valley Country Park had ceased and, as a result, all of these activities are reported as discontinued activities. At a general meeting of the Company held on 16 April 2012, the Company adopted an investing policy and later that day disposed of all the Group's remaining trading activities.

The Company is a limited liability company incorporated and domiciled in England.

The address of the registered office is 38 South Molten Street, London W1K 5RL.

These Group financial statements are prepared in Pounds Sterling, because that is the currency of the primary economic environment in which the Group operates.

Statement of compliance

The financial statements comply with International Financial Reporting Standards as adopted by the European Union. At the date of authorisation of these financial statements, the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective (and in some cases had not been adopted by the EU).

		Effective for accounting periods beginning on or after:
IFRS 7 (amended)	Disclosures – Transfers of Financial Assets	1 July 2011
IFRS 9	Financial Instruments	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 12 (amended)	Deferred Tax – Recovery of Underlying Assets	1 January 2012
IAS 19 (revised)	Employee Benefits	1 January 2013
IAS 27 (revised)	Separate Financial Statements	1 January 2013
IAS 28 (revised)	Investments in Associates and Joint Ventures	1 January 2013

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods.

2 SIGNIFICANT ACCOUNTING POLICIES

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.

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. Pires Investments plc reported a loss for the financial year of £1,511,801 (2010: loss of £12,971,657).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October 2011. 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 year 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.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS are recognised at their fair value at the acquisition date.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

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. 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. Any impairment is recognised immediately in profit or loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Depreciation

Freehold land is not depreciated and is included at its historical cost, which includes capitalised borrowing costs while it is part of a development project. The carrying value is reviewed as at the balance sheet date to determine whether market value exceeds historical cost and any appropriate impairment charge is made.

Plant and computer equipment and leasehold improvements are measured at cost less provision for depreciation. Depreciation is provided on these assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives at the following rates -

Plant and equipment	25% to 50% of cost per annum
---------------------	------------------------------

Leasehold improvements	Remaining life of the lease
------------------------	-----------------------------

Income recognition

Turnover of the leisure operations run on a cash basis is recognised on receipt of cash or, if later, on provision of the service. Turnover of the leisure operations in respect of which services are invoiced is recognised when the service is provided. Turnover of the consultancy business represented the fair value of services provided during the year on such assignments, recognised as the assignment progresses and the right to consideration is earned. Fair value reflects the amounts expected to be recoverable from customers and is based on time spent and costs incurred to date as a percentage of total anticipated contract costs. Unbilled turnover is included within receivables.

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 asset to that asset's net carrying amount.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share based awards

The Group has applied the requirements of IFRS 2 Share based payment.

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 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.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Investments in subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less any attributable impairment losses.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 Company and the Group after deducting all of its liabilities.

Trade and other payables

Trade 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.

3 FINANCIAL RISK MANAGEMENT

The Group's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors, which 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.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts. At present, the Group is unable to pay dividends or return capital to shareholders. At the balance sheet date, the Group had total debt of £1,147,839 (2010: £1,057,108), representing 84.8% of the deficit on shareholders' total equity (2010: 241.1% of shareholders' total equity).

Credit risk

The Company is subject to limited credit risk on income relating to credit sales. In Oak Heritage, the level of trade receivables is not considered significant in the overall context of the group's activities.

Liquidity risk

At the balance sheet date, the Group had limited funds available. Since the balance sheet date, the Company has proposed and implemented a number of actions more fully described in note 26 as a result of which the Company now has significant cash balances and has substantially eliminated creditors and as a result have prepared the financial statements on the going concern basis.

Interest rate risk profile of financial assets and liabilities

At the balance sheet date, the Group had the following interest bearing financial assets and liabilities.

Fixed rate financial liabilities	2011 £	2010 £
Vendor mortgage loan	-	(650,000)
Other loans	(322,608)	(100,600)
Hire purchase liabilities	(22,794)	(40,091)
	<u>(345,402)</u>	<u>(790,691)</u>

The other loans carried interest rates of between 0% and 12.6% per annum during the year and since the year end the interest bearing loans have been re-negotiated with an interest rate of 10% per annum. Following the disposals of the Group's remaining trading assets or the companies operating them on 16 April 2012, these loans have now been settled.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

Floating rate financial assets and liabilities	2011	2010
	£	£
Net (bank overdraft)/cash and cash equivalents	(32,338)	(14,773)
Bank loan	(125,000)	(250,000)
Vendor mortgage loan	(644,051)	-
	(801,389)	(264,773)

Fair value of financial instruments

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

Profile of financial instruments

Group

Financial assets (all of which are loans and receivables)	2011	2010
	£	£
Trade and other receivables	17,809	45,622
Cash and cash equivalents	1,049	1,645
	18,858	47,267
Financial liabilities (at amortised cost)	2011	2010
	£	£
Trade payables and accruals	888,031	757,184
Hire purchase liabilities	22,794	40,091
Vendor mortgage loan	644,051	650,000
Other loans	322,608	100,600
Bank loan and overdraft	158,387	266,418
	2,035,871	1,814,293

Company

Financial assets (all of which are loans and receivables)	2011	2010
	£	£
Amounts owed by group undertakings	928,675	816,845
Trade and other receivables	-	19,002
	928,675	835,847
Financial liabilities (at amortised cost)	2011	2010
	£	£
Trade payables and accruals	665,505	447,677
Amounts due to group undertakings	74,388	23,105
Bank loan and overdraft	127,674	253,067
Vendor mortgage loan	644,051	650,000
Other loans	311,787	100,600
	1,823,405	1,474,449

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Subsequent to the year end, the Company has realised all its trading assets and has raised funds as a result of which there are no critical estimates or judgements to make and the directors consider that there were none in respect of the year. The areas where accounting estimates and judgements were considered critical in the reporting of financial performance of the previous financial period were

Goodwill impairment

Goodwill is tested annually for impairment. This test requires estimates and judgements to be made in respect of the future of the Group's activities, in particular the YES! Project. Further details of the impairment review undertaken can be found in note 13.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

Share based payments

In prior years, the Group has made awards of options over its unissued share capital to certain directors and employees as part of their remuneration package

The valuation of these options involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 25

5 SEGMENTAL ANALYSIS

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

RESULT	2011		2010	
	Leisure	Consolidated	Leisure	Consolidated
	£	£	£	£
Revenue	<u>54,392</u>	<u>54,392</u>	<u>63,855</u>	<u>63,855</u>
Segment operating loss	<u>(145,190)</u>	<u>(145,190)</u>	<u>(96,113)</u>	<u>(96,113)</u>
Unallocated corporate costs		<u>(362,174)</u>		<u>(599,050)</u>
Release of liabilities		<u>-</u>		<u>49,933</u>
Operating loss		<u>(507,364)</u>		<u>(645,230)</u>
Net finance costs		<u>(64,290)</u>		<u>(5,859)</u>
Loss before tax		<u>(571,654)</u>		<u>(651,089)</u>
Tax expense		<u>-</u>		<u>-</u>
Loss for the year		<u>(571,654)</u>		<u>(651,089)</u>
BALANCE SHEET				
Segment assets	<u>728,709</u>	<u>728,709</u>	<u>711,567</u>	<u>711,567</u>
Unallocated corporate assets		<u>335,890</u>		<u>1,638,968</u>
Consolidated assets		<u>1,064,599</u>		<u>2,350,535</u>
Segment liabilities	<u>(98,089)</u>	<u>(98,089)</u>	<u>(54,514)</u>	<u>(54,514)</u>
Unallocated corporate liabilities		<u>(2,320,419)</u>		<u>(1,870,043)</u>
Consolidated liabilities		<u>(2,418,508)</u>		<u>(1,924,557)</u>

The comparative figures for 2010 have been restated to reflect the effect of discontinued activities.

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.

6 REVENUE

The Group's revenue from continuing activities is split between the sale of goods and the rendering of services as follows:

	2011	2010
	£	£
Sale of goods	<u>21,965</u>	<u>54,691</u>
Rendering of services	<u>32,622</u>	<u>9,164</u>
	<u>54,587</u>	<u>63,855</u>

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

7 OPERATING LOSS

Operating loss from continuing activities is stated after charging

	2011 £	2010 £
Depreciation of property, plant and equipment	25,010	18,303
Lease payments under operating leases	28,100	29,784
Cost of inventories recognised as an expense	<u>21,785</u>	<u>36,204</u>

Auditor's remuneration

During the year the Group obtained the following services from the Company's auditor (in respect of continuing and discontinued activities)

	2011 £	2010 £
Fees payable to the Company's auditor for the audit of the parent company and the consolidated financial statements	13,500	4,250
Fees payable to the Company's auditor and its associates for other services		
Audit of the Company's subsidiaries pursuant to legislation	5,000	4,250
Other services relating to taxation	1,000	2,900
All other services	<u>2,700</u>	<u>3,850</u>
	<u>22,200</u>	<u>15,250</u>

Of the above remuneration payable in respect of the current year, £7,200 was payable to the Company's previous auditors. The all other services comprised financial reporting and IFRS compliance advice of £2,100 (2010 2,850) and IxBRIL tagging support £600 (2010 nil). The previous year's amounts also included £1,000 in respect of company secretarial support.

During the preceding year, the directors and certain related parties formally waived their entitlement to certain salaries, fees and loans that were owed to them and, as a result, the Group was released from total liabilities of £49,933.

8 FINANCE COSTS

The Group's finance costs (for continuing and discontinued activities) were

	2011 £	2010 £
Interest payable on bank loans and overdrafts	45,694	2,010
Other interest payable	<u>18,599</u>	<u>3,859</u>
	<u>64,293</u>	<u>5,869</u>

Following the termination of the development agreement relating to the Yes! Project in the year, the capitalisation of interest and fees relating to the freehold land has ceased in accordance with the group accounting policy relating to land and buildings.

9 EMPLOYEE BENEFIT EXPENSE

The Group's employee benefit expense (for continuing and discontinued activities) was

	2011 £	2010 £
Wages and salaries	873,142	876,842
Social security costs	48,390	47,014
Contributions to defined contribution pension schemes	40,402	38,951
Share based payments (all in respect of directors)	-	43,106
	<u>961,934</u>	<u>1,005,913</u>

The average monthly number of persons employed by the Group, including executive directors, during the year was as follows

2011	2010
No	No
<u>55</u>	<u>55</u>

Details of directors' emoluments, including details of share option schemes are given in the Corporate Governance Report. These disclosures form part of the audited financial statements of the Group. The directors of the parent Company are considered to represent key management of the Group as defined by IFRS.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

10 TAX EXPENSE

	2011 £	2010 £
Current tax	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(571,654)	(11,482,060)
Loss on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 26.83% (2010 28%)	(477,603)	(3,214,977)
Effects of:		
Expenses not deductible for tax purposes	70	5,600
Impairment of goodwill not deductible for tax purposes	-	3,066,965
Impairment of freehold land value not deductible for tax purposes	309,548	-
Capital allowances in excess of depreciation	11,897	(23,318)
Short term timing differences	-	-
Unutilised tax losses arising in the year, not recognised as a deferred tax asset	156,088	153,660
Share-based payment charge not deductible	-	12,070
Tax charge	-	-

The Group has tax losses available to carry forward against future taxable income and profits of the relevant trades of approximately £3,150,000 (2010 £3,000,000) in respect of which no deferred tax asset has been recognised

Where it is anticipated that future taxable profits will be available against which these losses will be utilised a deferred tax asset is recognised

11 DISCONTINUED ACTIVITIES

In January 2011, Rotherham Metropolitan Borough Council gave notice that it was terminating the Development Agreement between itself and the Company's subsidiary, Oak Ventures Limited, with effect from the end of January 2011 and property development activity therefore ceased. In addition, following the resignation of the directors responsible for the Company's property consultancy activities, the Company decided to cease these activities as well. In October 2011, Rotherham Metropolitan Borough Council terminated the interim management agreement and associated lease pursuant to which the Company's subsidiary Rother Valley Country Park Limited managed the Rother Valley Country Park and this activity together with the operation by the Company's subsidiary Rother Valley Steam Railway Limited of a miniature railway within the Park have ceased and are also treated as discontinued activities.

The results of the discontinued activities are as follows

	2011 £	2010 £
Revenue	1,172,470	1,196,996
Administrative expenses	(1,226,962)	(1,199,521)
Impairment provision	(1,153,740)	-
Impairment of goodwill	-	(10,828,446)
Operating loss on discontinued activities	(1,208,232)	(10,830,971)
Attributable tax expense	-	-
Net loss attributable to discontinued activities	(1,208,232)	(10,830,971)

12 LOSS PER SHARE

The loss per share from continuing activities is based on a loss for the year of £571,654 (2010 £651,089) and that from continuing and discontinued activities on a loss for the year of £1,779,886 (2010 £11,482,060) and the weighted average number of ordinary shares in issue for the year of 55,570,856 (2010 42,164,479).

At 31 October 2011, there were potentially 91,428 shares (before adjustment resulting from the re-organisation of the share capital which became effective on 16 April 2012) that could be issued under the terms of options and were also 2,021,791 warrants (before adjustment resulting from the re-organisation of the share capital which became effective on 16 April 2012), as described in notes 25 and 17, that will potentially reduce future earnings per share.

The exercise of the outstanding options and warrants at 31 October 2011 would result in the Company issuing shares at a value in excess of the average market price, and are therefore not dilutive.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

13 GOODWILL

Group	£
Cost	
At 1 November 2009, 1 November 2010 & 31 October 2011	<u>10,828,446</u>
Provision for impairment	
At 1 November 2009	-
Impairment charge in year ended 31 October 2010 (see below)	<u>10,828,446</u>
At 31 October 2010 & 2011	<u>10,828,446</u>
Net book value	
At 31 October 2011	-
At 31 October 2010	-
At 31 October 2009	<u>10,828,446</u>

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")

In January 2011, RMBC gave notice that it was terminating the Development Agreement with effect from the end of January 2011. The Directors concluded that the goodwill previously recognised has been fully impaired. The Directors consequently made an impairment provision against the whole of the carrying value of the goodwill with an appropriate charge being made in the statement of comprehensive income for the year ended 31 October 2010.

14 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold improvements	Plant and equipment	Total
Cost	£	£	£	£
At 1 November 2009	1,279,071	-	140,848	1,419,919
Acquired as part of business combination	-	209,654	-	209,654
Additions during the year	41,969	-	63,250	105,219
At 31 October 2010	1,321,040	209,654	204,098	1,734,792
Additions during the year	-	-	11,619	11,619
At 31 October 2011	1,321,040	209,654	215,717	1,746,411
Depreciation				
At 1 November 2009	-	-	10,502	10,502
Charge for the year	-	18,303	18,379	36,682
At 31 October 2010	-	18,303	28,881	47,184
Charge for the year	-	19,968	35,987	55,955
Impairment provision	1,153,740	-	-	1,153,740
At 31 October 2011	1,153,740	38,271	64,868	1,256,879
Carrying amount				
At 31 October 2011	167,300	171,383	150,849	489,532
At 31 October 2010	1,321,040	191,351	175,217	1,687,608
At 31 October 2009	1,279,071	-	130,346	1,409,417

At 31 October 2011, the net book value of assets held on hire purchase agreements was £31,552 (2010 £46,058). Depreciation of £14,496 (2010 £11,312) has been charged in the year on these assets.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

Company	Freehold land	Plant and equipment	Total
Cost	£	£	£
At 1 November 2009	1,279,071	-	1,279,071
Additions during the year	41,969	-	41,969
At 1 November 2010	1,321,040	-	1,321,040
Additions during the year	-	361	361
At 31 October 2011	1,321,040	361	1,321,401
Depreciation			
At 1 November 2009	-	-	-
Charge for the year	-	-	-
At 1 November 2010	-	-	-
Charge for the year	-	50	50
Impairment provision	1,153,740	-	1,153,740
As at 31 October 2011	1,153,740	50	1,153,790
Carrying amount			
As at 31 October 2011	167,300	311	167,611
At 31 October 2010	1,321,040	-	1,321,040
At 31 October 2009	1,279,071	-	1,279,071

15 INVESTMENTS IN SUBSIDIARIES

Company	Total £
Cost	
At 1 November 2009	10,436,061
Additions during the year	103
At 31 October 2010	10,436,164
Additions during the year	-
At 31 October 2011	10,436,164
Provision for diminution in value	
At 1 November 2009	2
Provision in the year	10,435,959
At 31 October 2010	10,435,961
Provision in the year	-
At 31 October 2011	10,435,961
Net book value	
At 31 October 2011	203
At 31 October 2010	203
At 1 November 2009	10,436,059

Subsidiary undertakings

The Company holds 100% of the ordinary share capital of Oak Ventures Limited. Oak Ventures Limited was engaged in the pursuit of the development of a major investment property as more fully described in Note 13. Oak Ventures Limited holds 100% of the ordinary share capital in Yorkshire Entertainment Sensation Limited, a dormant company. The carrying value of the investment in Oak Ventures Limited was subject to the same impairment review considerations as the value of goodwill, as described in Note 13 above and accordingly was impaired to nil value at 31 October 2010.

During the year ended 31 October 2009, the Company subscribed for 100 £1 ordinary shares, representing 100% of the issued share capital, in Rother Valley Country Park Limited. Rother Valley Country Park Limited commenced trading on 8 May 2009 as the operator of the country park. As a result of the termination of the agreement under which this company operated the country park on 20 October 2011, this company's activities had ceased by 31 October 2010 and its activities are treated as discontinued in these financial statements. This company is now in liquidation.

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

During the year ended 31 October 2010, the Company acquired the whole of the issued share capital of Ringwood Town & Country Experience Limited ("RTCE"), a then recently incorporated company which had acquired the business and assets of a trade previously carried on as a partnership. RTCE is the operator of a museum and restaurant. This company sold its assets after the balance sheet date as described in note 26.

During the year ended 31 October 2010, the Company also acquired the whole of the issued share capital of Oak Heritage Limited, a newly formed company which had not traded. Shortly after its acquisition, Oak Heritage Limited acquired certain historic motor vehicle assets of RTCE and commenced operations in the restoration and maintenance of historic motor vehicles. This company was sold after the balance sheet as described in note 26.

The Company owns the whole of the issued share capital of Rother Valley Steam Railway Limited (formerly Time Afloat Limited) which owns, and received the income until the termination of the agreement under which Rother Valley Country Park Limited operated the country park as noted above from the operation of, certain railway assets situated in the Rother Valley Country Park. As a result of the termination, this company's activities had also ceased by 31 October 2010 and its activities are treated as discontinued in these financial statements. This company was sold after the balance sheet as described in note 26.

The Company also owns 100% of the ordinary share capital of Time Afloat Limited, a dormant company.

16 INVENTORIES

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Consumables	-	70,500	-	-
Work in progress	-	15,000	-	15,000
Memorabilia and vehicles	<u>552,736</u>	<u>494,283</u>	<u>-</u>	<u>-</u>
	552,736	579,783	-	15,000

The Group acquired various items of memorabilia and vehicles as part of the acquisition of RTCE. The Group is holding these assets with the intention of trading them in the future as opportunities arise. Certain of these assets are used in the interim period as display items in its museum activities.

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade receivables	17,809	40,012	-	19,002
Amounts owed by group undertakings	-	-	928,675	816,845
Prepayments and other receivables	<u>3,474</u>	<u>41,486</u>	<u>3,334</u>	-
	21,283	81,498	932,009	835,847

As described in note 3, the directors do not consider credit risk to be material to the Group's operations.

Amounts owed by subsidiary undertakings to the Parent Company are stated net of a provision for irrecoverable amounts of £2,631,075 (2010 £2,542,569).

18 SHARE CAPITAL

	2011	2010
	£	£
Authorised		
163,828,803 (2010 163,828,803) ordinary shares of 5p each	8,191,440	8,191,440
136,171,197 (2010 136,171,197) deferred shares of 5p each	<u>6,808,560</u>	<u>6,808,560</u>
	15,000,000	15,000,000
Allotted and fully paid:		
55,570,856 (2010 55,570,856) ordinary shares of 5p each	2,778,543	2,778,543
136,171,197 (2010 136,171,197) deferred shares of 5p each	<u>6,808,560</u>	<u>6,808,560</u>
	9,587,103	9,587,103

A reconciliation of the number of ordinary shares outstanding at the beginning and end of the period is shown below.

At 1 November 2009	15,130,133
Issued 2 March 2010 in settlement of liabilities including directors' loans	17,340,723
Issued 2 March 2010 for cash	13,000,000
Issued 2 March 2010 in respect of business combination	<u>10,100,000</u>
At 31 October 2010 & 2011	55,570,856

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

The holders of the ordinary shares are entitled to one vote for each share held on a poll. They are also entitled to receive dividends declared in proportion to the number of shares held (subject to any right of another class, and none currently exists, to receive a preferred dividend) and on a return of capital and, subject to the limited participation rights of the holders of the deferred shares detailed below and any subsequently created class of shares with preferential rights, to participate in such return in proportion to the number of shares held.

The deferred shares have no voting or dividend rights and only have rights to a repayment of the nominal value of the shares and then only after a £100,000 per ordinary share has been returned to each holder of ordinary shares.

Warrants

The Company issued warrants on 24 October 2003 entitling warrant holders to subscribe in cash at a price of 2.38p per Ordinary 1p share for up to 101,419,687 Ordinary shares. Following the exercise of warrants and restructurings of the Company's share capital, the number of warrants outstanding is 2,021,791 (2010: 2,021,791) exercisable at a price of £1.19 each. The warrants can be exercised on 1 December in any year up to and including 2013.

Options

Details relating to options to subscribe for ordinary shares in the Company are set out at note 25 below.

19 BORROWINGS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Current liabilities				
Bank loan	125,000	250,000	125,000	250,000
Bank overdraft	33,386	16,417	2,674	3,067
Hire purchase liabilities	18,560	21,854	-	-
Vendor mortgage loan	644,051	650,000	644,051	650,000
Other loans	322,608	100,600	311,787	100,600
	<u>1,143,605</u>	<u>1,038,871</u>	<u>1,083,512</u>	<u>1,003,667</u>
Non-current liabilities				
Hire purchase liabilities	4,234	18,237	-	-

The Bank Loan is secured by fixed and floating charges over the Company's assets and by a debenture over the assets of Rother Valley Country Park Limited which company has also provided a guarantee in respect of this bank loan.

The vendor mortgage loan represents the amount payable to the vendor of freehold land purchased by the Group in the year ended 31 October 2007 and is secured on that land. During the year, the terms of this loan were renegotiated requiring repayment in accordance with a monthly payment schedule and subsequently it has been agreed to dispose of this land to the vendor at the impaired value in partial settlement of the loan with the balance of the loan becoming an unsecured creditor.

Of the other loans, £222,008 are secured on various assets owned by subsidiaries of the Company. These loans had during the year various short term maturities and bore interest at various rates. Subsequent to the year end, the terms of these loans have been renegotiated so that all bear interest at 10% per annum and are repayable on demand. The remaining loans have no formal terms and do not bear interest.

As part of the arrangements described in Note 26, all of these loans are being settled and the security provided released.

£18,560 of the hire purchase loans are repayable within 12 months and £4,234 in between one and two years from the balance sheet date.

20 TRADE AND OTHER PAYABLES

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Amounts owed to group undertakings	-	-	74,388	23,105
Trade payables and accruals	888,031	754,205	665,505	444,698
Taxation and social security	382,639	113,244	139,159	51,613
	<u>1,270,670</u>	<u>867,449</u>	<u>879,052</u>	<u>519,416</u>

The average credit period taken for trade payables at the end of the year is 329 days (2010: 195 days).

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

21 CASH ABSORBED BY OPERATIONS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Operating loss	(507,365)	(11,476,201)	(1,454,012)	(12,970,939)
Loss from discontinued activities	(1,208,232)	-	-	-
Depreciation	55,955	36,682	50	-
Impairment of fixed asset	1,153,740	-	1,153,740	-
Impairment of goodwill and investment	-	10,828,446	-	12,763,889
Share based awards	-	43,106	-	43,106
Increase in inventories	27,048	(33,207)	15,000	(15,000)
Decrease/(increase) in receivables	60,216	(68,339)	(96,162)	(390,914)
(Decrease)/increase in payables	403,220	230,096	359,637	(38,870)
Cash absorbed by operations	(15,418)	(439,417)	(21,747)	(608,728)

22 OPERATING LEASE COMMITMENTS

The Group leases its museum and restaurant premises under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows

	2011 £	2010 £
Within one year	28,100	28,100
In more than one year but less than five years	112,401	112,401
Over five years	126,451	154,552
	266,952	295,053

The Company has no commitments under operating lease arrangements

23 CONTINGENT LIABILITIES

The Company has guaranteed the obligations of its subsidiary Rother Valley Country Park Limited in connection with the interim management agreement with Rotherham Metropolitan Borough Council. All the liabilities of that company are included in the consolidated financial statements of the Company.

The Company has indemnified an insurer which has provided a bond in favour of the South Yorkshire Pension Authority in connection with amounts owed by the Company's subsidiary Rother Valley Country Park Limited to that pension fund under certain circumstances.

24 RELATED PARTY TRANSACTIONS

Ultimate controlling party

The directors do not consider there to be a single ultimate controlling party.

Company - transactions with subsidiary

	2011 £	2010 £
Management charge rendered to Oak Heritage Limited by the Company in respect of services provided	24,000	-
Management charge rendered to Oak Ventures Limited by the Company in respect of services provided	27,500	110,000
Management Charge rendered to Rother Valley Country Park Limited by the Company in respect of services provided	165,000	72,000
Management Charge rendered to Ringwood Town & Country Experience Limited by the Company in respect of services provided	17,000	-
Liabilities incurred by the Company in respect of the YES! Project recharged to Oak Ventures Limited	-	3,102

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

Group and Company – transactions with directors

	2011	2010
	£	£
Arrangement fee for the guarantees provided in respect of the £250,000 bank loan utilised by the Company to purchase the access land adjacent to the YES1 Project		
S B Lewis	5,000	15,000
G Axford	-	15,000
Fees for financial advisory services rendered by Corporate Finance Partners Limited, a company of which G Axford is a director and in which he has a material financial interest. C J Yates is also a director of this company but no fees were rendered by that company during the period between his becoming a director of the Company and the end of the reporting period	-	38,000
Fees for the services of M J Williams and his support staff rendered by MWA and by CDC International FZ-LLC, entities in which Mr Williams is materially interested	-	84,500

25 EQUITY SETTLED SHARE OPTION SCHEME

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 varies between 1 and 4 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 the options vest.

Details of the share options outstanding during the year are as follows

	2011	2011	2010	2010
	Number of options	Exercise price	Number of options	Exercise price
Outstanding at the beginning of the year	582,856	87.5p	783,998	87.5p
Lapsed during the period	<u>491,428</u>	87.5p	<u>201,142</u>	87.5p
Outstanding at the end of the period	<u>91,428</u>	87.5p	<u>582,856</u>	87.5p

All options are exercisable at the end of the period

All options were vested by 31 October 2010. In the year ended 31 October 2010 £43,106 was recognised in the year in respect of share based payments in the form of the options referred to above. The directors used the Black Scholes model to value options granted. Expected volatility was based on historical movements in the Company's share price. There was no charge in the year ended 31 October 2011.

Details of the assumptions applied in valuing the options all awarded on 26 February 2007 are as follows

	Options granted 26 Feb 2007
Number of options granted	1,126,855
Share price at grant date	87.5p
Option exercise price	87.5p
Expected volatility	77.70%
Expected life	3.5 years
Risk free rate of return	4.80%
Expected dividend yield	NIL %
Fair value of option	50p
Fair value of award	<u>£563,325</u>

PIRES INVESTMENTS PLC (formerly Oak Holdings plc)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2011 (continued)

26 POST BALANCE SHEET EVENTS

On 5 March 2012, Rother Valley Country Park Limited was placed in a creditors' compulsory winding up

On 23 March 2012 the directors announced a series of proposals for the future of the Company comprising

- (i) the adoption of an investing policy,
- (ii) the raising of at least £1 million through a placing of new ordinary shares,
- (iii) the disposal of the Group's remaining trading assets,
- (iv) a creditors' voluntary arrangement for the Company pursuant to which unsecured creditors would receive 10p in the pound from their debts, with 5p being settled in cash and 5p in new ordinary shares at an issue price of £0.00125 per share,
- (v) the re-organisation of the Company's ordinary share capital from ordinary shares of 5p each into ordinary shares of £0.001 each and deferred shares of £0.049 each,
- (vi) The appointment of new directors, and
- (vii) A change of name to Pires Investments plc

On 16 April 2012, the proposals were approved by meetings of the creditors and shareholders and the re-organisation of the Company's share capital became effective

On 16 April 2012, the Company disposed of the whole of the issued share capitals of Oak Heritage Limited and Rother Valley Country Park Limited and the assets of Ringwood Town and Country Experience Limited in consideration of the settlement of certain secured debts of the Company and the release of charges over the Company's assets

As part of the CVA process, it has been agreed that the A57 land will be disposed of to the vendor in consideration of the partial settlement of the vendor loan, with the balance of the amount due becoming an unsecured creditor subject to the CVA process. The formal transfer of the land is being concluded

On 17 April 2012, the Company announced that it had made arrangements for a further placing of shares to raise £0.7 million

On 18 April 2012, trading in the Company's shares on AIM was restored and the change of the Company's name to Pires Investments plc became effective