

LONGSHIPS PLC
INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30th JUNE 2010

CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to present the Chairman's report for the interim period ending 30 June 2010. During the period under review the Company reported a net loss of £37,378 (six months ended 30 June 2009: £34,557) and as at 30 June 2010 has liquid cash balances of £3,214,038 (30 June 2009: £3,317,798). Various investment propositions were reviewed over the period and, although none met the Board's strict investment criteria, the directors continue to search for a suitable reverse takeover opportunity. As your new Chairman, I look forward to updating you with a progress report in due course.

Malcolm Burne

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30th JUNE 2010**

	Six months to 30/06/10 Unaudited £	Six months to 30/06/09 Unaudited £	Year to 31/12/09 Audited £
NET TRADING INCOME	-	-	-
Other operating expenses	(39,591)	(41,320)	(92,417)
Total operating expenses	(39,591)	(41,320)	(92,417)
OPERATING LOSS	(39,591)	(41,320)	(92,417)
Finance income	2,213	6,763	8,448
LOSS BEFORE TAXATION	(37,378)	(34,557)	(83,969)
Taxation	-	-	(7)
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(37,378)	(34,557)	(83,962)
Loss per share (pence) – basic and fully diluted	(0.16)p	(0.15)p	(0.36)p

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2010

	As at 30/06/10 Unaudited £	As at 30/06/09 Unaudited £	As at 31/12/09 Audited £
CURRENT ASSETS			
Trade and other receivables	24,408	4,248	8,129
Cash and cash equivalents	3,214,038	3,317,798	3,269,514
	<u>3,238,446</u>	<u>3,322,046</u>	<u>3,277,643</u>
CURRENT LIABILITIES			
Trade and other payables	(17,671)	(14,488)	(19,490)
NET CURRENT ASSETS	<u>3,220,775</u>	<u>3,307,558</u>	<u>3,258,153</u>
NET ASSETS	<u><u>3,220,775</u></u>	<u><u>3,307,558</u></u>	<u><u>3,258,153</u></u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	230,800	230,800	230,800
Share premium account	3,086,962	3,086,962	3,086,962
Share based payment reserve	21,588	21,588	21,588
Retained earnings	(118,575)	(31,792)	(81,197)
TOTAL EQUITY	<u><u>3,220,775</u></u>	<u><u>3,307,558</u></u>	<u><u>3,258,153</u></u>
Net assets per share - basic	<u>13.95p</u>	<u>14.33p</u>	<u>14.12p</u>

**CONDENSED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30th JUNE 2010**

		Six months to 30/06/10 Unaudited £	Six months to 30/06/09 Unaudited £	Year to 31/12/09 Audited £
Net cash outflow from operating activities	3	(57,689)	(44,521)	(94,490)
Cash flows from investing activities				
Interest received		2,213	6,763	8,448
Cash flows from financing activities				
Net proceeds from issue of share capital		-	-	-
Net (decrease)/increase in cash and cash equivalents		(55,476)	(37,758)	(86,042)
Cash and cash equivalents at beginning of period		3,269,514	3,355,556	3,355,556
Cash and cash equivalents at end of period		3,214,038	3,317,798	3,269,514

**CONDENSED STATEMENT OF CHANGES IN NET EQUITY
FOR THE SIX MONTHS ENDED 30th JUNE 2010**

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£	£	£	£	£
At 1 st January 2009	230,800	3,086,962	21,588	2,765	3,342,115
Loss for six months ended 30th June 2009	-	-	-	(34,557)	(34,557)
At 30th June 2009	230,800	3,086,962	21,588	(31,792)	3,307,558
Loss for six months ended 31st December 2009	-	-	-	(49,405)	(49,405)
At 31st December 2009	230,800	3,086,962	21,588	(81,197)	3,258,153
Loss for six months ended 30th June 2010	-	-	-	(37,378)	(37,378)
At 30th June 2010	230,800	3,086,962	21,588	(118,575)	3,220,775

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30th JUNE 2010

1. GENERAL

The interim financial statements for the six months ended 30th June 2010 are unaudited and were approved by the Directors of the Company on 23rd September 2010. The condensed financial information set out above does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The information given as comparative figures for the period ended 31st December 2009 was extracted from the Company's audited annual financial statements for that financial year. Those financial statements, which represent the statutory accounts for that year, and on which the auditors gave an unqualified opinion, have been filed with the Registrar of Companies.

The financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting".

The Company's operations are not subject to seasonality or cyclicity.

2. ACCOUNTING POLICIES

The principal accounting policies and methods of computation have remained unchanged from those used in the preparation of the Company's 2009 annual financial statements.

3. CASH FLOWS FROM OPERATING ACTIVITIES

	Six months to 30/06/10 Unaudited £	Six months to 30/06/09 Unaudited £	Year to 31/12/09 Audited £
Loss before taxation	(37,378)	(34,557)	(83,969)
Adjustments for:			
Interest income	(2,213)	(6,763)	(8,448)
Taxation paid	-	-	(6,370)
	<u>(39,591)</u>	<u>(41,320)</u>	<u>(98,787)</u>
(Increase)/ decrease in receivables	(16,279)	4,835	954
(Decrease)/increase in payables	(1,819)	(8,036)	3,343
Net cash from operating activities	<u><u>(57,689)</u></u>	<u><u>(44,521)</u></u>	<u><u>(94,490)</u></u>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30th JUNE 2010**

4. LOSS PER SHARE

	Six months to 30/06/10 Unaudited	Period to 30/06/09 Unaudited	Period to 31/12/09 Audited
Weighted average number of ordinary shares in issue	23,080,002	23,080,002	23,080,002
(Loss)/profit after taxation	£(37,378)	£(34,557)	£(83,962)
(Loss)/earnings per share	(0.16)p	(0.15)p	(0.36)p

Due to there being a loss during each period under review, the share options are anti-dilutive and therefore no diluted loss per share has been presented.

5. NET ASSET VALUE PER SHARE

The “basic” net asset value per share figures are calculated on the basis of the net assets attributable to equity shareholders divided by the number of ordinary shares in issue at the relevant dates.

As the exercise price of the share options is above the “basic” net asset value per share the share options are anti-dilutive and therefore a “fully diluted” net assets per share has not been calculated.

- 6.** Copies of the interim report are available to the public free of charge from the Company at 2nd Floor, 18 Pall Mall, London, SW1Y 5LU during normal office hours, Saturdays and Sundays excepted, for 14 days from today and are available on the website at www.longshipsplc.com.