

LONGSHIPS PLC

**INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX
MONTHS ENDED 30th JUNE 2009**

CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to present the Chairman's report for the interim period ending 30 June 2009. During the period under review the Company reported a net loss of £34,557 and as at 30 June 2009 has liquid cash balances of £3,317,798 (30 June 2008: £3,341,204). Various investment propositions were reviewed over the period and, although none met the Board's investment criteria, we continue to search for a suitable opportunity. I look forward to updating shareholders on progress in due course.

Craig Niven

5 August 2009

**CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30th JUNE 2009**

	Six months to 30/06/09 Unaudited £	Period to 30/06/08 Unaudited £	Period to 31/12/08 Audited £
NET TRADING INCOME	-	-	-
Share based payment charge	-	(21,588)	(21,588)
Other operating expenses	(41,320)	(25,369)	(78,999)
Total operating expenses	(41,320)	(46,957)	(100,587)
OPERATING LOSS	(41,320)	(46,957)	(100,587)
Finance income	6,763	39,806	109,729
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(34,557)	(7,151)	9,142
Taxation	-	-	6,377
(LOSS)/PROFIT FOR THE PERIOD	(34,557)	(7,151)	2,765
(Loss)/earnings per share (pence) – basic and fully diluted	(0.15)p	(0.07)p	0.02p

CONDENSED BALANCE SHEET AS AT 30th JUNE 2009

	As at 30/06/09 Unaudited £	As at 30/06/08 Unaudited £	As at 31/12/08 Audited £
CURRENT ASSETS			
Trade and other receivables	4,248	7,438	9,083
Cash and cash equivalents	3,317,798	3,341,204	3,355,556
	<u>3,322,046</u>	<u>3,348,642</u>	<u>3,364,639</u>
CURRENT LIABILITIES			
Trade and other payables	(14,488)	(16,433)	(22,524)
	<u>3,307,558</u>	<u>3,332,209</u>	<u>3,342,115</u>
NET CURRENT ASSETS			
	<u>3,307,558</u>	<u>3,332,209</u>	<u>3,342,115</u>
NET ASSETS			
	<u><u>3,307,558</u></u>	<u><u>3,332,209</u></u>	<u><u>3,342,115</u></u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	230,800	230,800	230,800
Share premium account	3,086,962	3,086,972	3,086,962
Share based payment reserve	21,588	21,588	21,588
Retained earnings	(31,792)	(7,151)	2,765
	<u>3,307,558</u>	<u>3,332,209</u>	<u>3,342,115</u>
TOTAL EQUITY			
	<u><u>3,307,558</u></u>	<u><u>3,332,209</u></u>	<u><u>3,342,115</u></u>
Net assets per share - basic	<u>14.33p</u>	<u>14.44p</u>	<u>14.48p</u>

**CONDENSED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30th JUNE 2009**

		Six months to 30/06/09 Unaudited £	Period to 30/06/08 Unaudited £	Period to 31/12/08 Audited £
Net cash outflow from operating activities	3	(44,521)	(16,374)	(71,935)
Cash flows from investing activities				
Interest received		6,763	39,806	109,729
Cash flows from financing activities				
Net proceeds from issue of share capital		-	3,317,772	3,317,762
Net (decrease)/increase in cash and cash equivalents		(37,758)	3,341,204	3,355,556
Cash and cash equivalents at beginning of period		3,355,556	-	-
Cash and cash equivalents at end of period		3,317,798	3,341,204	3,355,556

**CONDENSED STATEMENT OF CHANGES IN NET EQUITY
FOR THE SIX MONTHS ENDED 30th JUNE 2009**

	Share capital £	Share premium £	Share based payment reserve £	Retained earnings £	Total £
At 20th December 2007	-	-	-	-	-
Shares issued for cash	230,800	3,173,200	-	-	3,404,000
Loss for period ended 30th June 2008	-	-	-	(7,151)	(7,151)
Share issue costs	-	(86,238)	-	-	(86,238)
Share-based payments	-	-	21,588	-	21,588
At 30th June 2008	230,800	3,086,962	21,588	(7,151)	3,332,199
Profit for six months ended 31st December 2008	-	-	-	9,916	9,916
At 31st December 2008	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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30th JUNE 2009**

1. GENERAL

The interim financial statements for the six months ended 30th June 2008 are unaudited and were approved by the Directors of the Company on 5 August 2009. 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 2008 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 2008 annual financial statements.

3. CASH FLOWS FROM OPERATING ACTIVITIES

	Six months to 30/06/09 Unaudited £	Period to 30/06/08 Unaudited £	Period to 31/12/08 Audited £
(Loss)/profit before taxation	(34,557)	(7,151)	9,142
Adjustments for:			
Interest income	(6,763)	(39,806)	(109,729)
Equity-settled share options	-	21,588	21,558
	(41,320)	(25,369)	(78,999)
Decrease/(increase) in receivables	4,835	(7,438)	(9,083)
(Decrease)/increase in payables	(8,036)	16,433	16,147
Net cash from operating activities	(44,521)	(16,374)	(71,935)

4. LOSS PER SHARE

	Six months to 30/06/09 Unaudited	Period to 30/06/08 Unaudited	Period to 31/12/08 Audited
Weighted average number of ordinary shares in issue	23,080,002	10,654,229	16,641,695
(Loss)/profit after taxation	£(34,557)	£(7,151)	£2,765
(Loss)/earnings per share	(0.15)p	(0.07)p	0.02p

Due to there being a loss during the period the share options are anti-dilutive and therefore no diluted loss per share has been presented. For the period ended 31st December 2008 there was no dilutive effect of the share options because the option exercise prices were higher than the average market price in the period.

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.

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