

**LONGSHIPS PLC**  
**INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED**  
**30 JUNE 2012**

**CHAIRMAN'S STATEMENT**

Dear Shareholder,

I present the Chairman's report for the six month interim period ending 30 June 2012. During the period under review the Company reported a net loss of £67,944 (six months ended 30 June 2011: £97,241) and as at 30 June 2012 had liquid cash balances of £2,957,069 (30 June 2011: £3,099,008).

During the period under review, the Company focused its attentions on the proposed investment in Praetorian Resources Limited combined with the capital reduction and distribution to shareholders of this investment in Praetorian. The transaction was completed on 21 August 2012 and shareholders will now have received their entitlement to shares in Praetorian Resources Limited. This transaction has enabled shareholders to participate in a strongly managed resource based investment company within an effectively managed structure. Details of Praetorian Resources Limited were sent to shareholders on 9 July 2012.

Following this transaction the company has cash resources of approximately £500,000. Your board's efforts are now focused on using these cash resources on an impact reverse takeover transaction to further enhance shareholder value.

Malcolm Burne

Chairman

27 September 2012

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Six months to 30/06/12 Unaudited £	Six months to 30/06/11 Unaudited £	Year to 31/12/11 Audited £
<b>NET TRADING INCOME</b>	-	-	-
Other operating expenses	(72,996)	(104,211)	(186,800)
Total operating expenses	(72,996)	(104,211)	(186,800)
<b>OPERATING LOSS</b>	(72,996)	(104,211)	(186,800)
Finance income	5,052	6,970	11,550
<b>LOSS BEFORE TAXATION</b>	(67,944)	(97,241)	(175,250)
Taxation	-	-	-
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	(67,944)	(97,241)	(175,250)
Loss per share (pence) – basic and fully diluted	(0.29)p	(0.42)p	(0.76)p

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	As at 30/06/12 Unaudited £	As at 30/06/11 Unaudited £	As at 31/12/11 Audited £
<b>CURRENT ASSETS</b>			
Trade and other receivables	8,883	7,263	7,055
Cash and cash equivalents	2,957,069	3,099,008	3,018,225
	<u>2,965,952</u>	<u>3,106,271</u>	<u>3,025,280</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(33,432)	(27,798)	(24,816)
<b>NET CURRENT ASSETS</b>	<u>2,932,520</u>	<u>3,078,473</u>	<u>3,000,464</u>
<b>NET ASSETS</b>	<u><u>2,932,520</u></u>	<u><u>3,078,473</u></u>	<u><u>3,000,464</u></u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
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	(406,830)	(260,877)	(338,886)
<b>TOTAL EQUITY</b>	<u><u>2,932,520</u></u>	<u><u>3,078,473</u></u>	<u><u>3,000,464</u></u>
Net assets per share - basic	<u>12.70p</u>	<u>13.33p</u>	<u>13.00p</u>

**CONDENSED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

		Six months to 30/06/12 Unaudited £	Six months to 30/06/11 Unaudited £	Year to 31/12/11 Audited £
<b>Net cash outflow from operating activities</b>	3	<b>(66,208)</b>	<b>(96,168)</b>	<b>(181,531)</b>
<b>Cash flows from investing activities</b>				
Interest received		<b>5,052</b>	<b>6,970</b>	<b>11,550</b>
<b>Cash flows from financing activities</b>				
Net proceeds from issue of share capital		-	-	-
<b>Net (decrease) in cash and cash equivalents</b>		<b>(61,156)</b>	<b>(89,198)</b>	<b>(169,981)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>3,018,225</b>	<b>3,188,206</b>	<b>3,188,206</b>
<b>Cash and cash equivalents at end of period</b>		<b>2,957,069</b>	<b>3,099,008</b>	<b>3,018,225</b>

**CONDENSED STATEMENT OF CHANGES IN NET EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£	£	£	£	£
At 1 January 2011	<b>230,800</b>	<b>3,086,962</b>	<b>21,588</b>	<b>(163,636)</b>	<b>3,175,714</b>
Loss for six months ended 30 June 2011	-	-	-	<b>(97,241)</b>	<b>(97,241)</b>
At 30 June 2011	<b>230,800</b>	<b>3,086,962</b>	<b>21,588</b>	<b>(260,877)</b>	<b>3,078,473</b>
Loss for six months ended 31 December 2011	-	-	-	<b>(78,009)</b>	<b>(78,009)</b>
At 31 December 2011	<b>230,800</b>	<b>3,086,962</b>	<b>21,588</b>	<b>(338,886)</b>	<b>3,000,464</b>
Loss for six months ended 30 June 2012	-	-	-	<b>(67,944)</b>	<b>(67,944)</b>
At 30 June 2012	<b>230,800</b>	<b>3,086,962</b>	<b>21,588</b>	<b>(406,830)</b>	<b>2,932,520</b>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

### 1. GENERAL

The interim financial statements for the six months ended 30 June 2012 are unaudited and were approved by the Directors of the Company on 27 September 2012. 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 31 December 2011 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 2011 annual financial statements.

### 3. CASH FLOWS FROM OPERATING ACTIVITIES

	Six months to 30/06/12 Unaudited £	Six months to 30/06/11 Unaudited £	Year to 31/12/11 Audited £
Loss before taxation	(67,944)	(97,241)	(175,250)
Adjustments for:			
Interest income	(5,052)	(6,970)	(11,550)
Taxation paid	-	-	-
	<u>(72,996)</u>	<u>(104,211)</u>	<u>(186,800)</u>
Decrease/(increase) in receivables	(1,828)	1,532	1,740
Increase/(decrease) in payables	8,616	6,511	3,529
Net cash from operating activities	<u><u>(66,208)</u></u>	<u><u>(96,168)</u></u>	<u><u>(181,531)</u></u>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

**4. LOSS PER SHARE**

	Six months to 30/06/12 Unaudited	Six months to 30/06/11 Unaudited	Year to 31/12/11 Audited
Weighted average number of ordinary shares in issue	<b>23,080,002</b>	<b>23,080,002</b>	<b>23,080,002</b>
(Loss)/profit after taxation	<b>(67,944)</b>	<b>(97,241)</b>	<b>(175,250)</b>
(Loss)/earnings per share	<b>(0.29)p</b>	<b>(0.42)p</b>	<b>(0.76)p</b>

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. POST BALANCE SHEET EVENT**

On 21 August 2012, the company acquired 4,616,013 shares of 50p each in Praetorian Resources Limited for a consideration of £2,308,006.50 and subsequently distributed these shares to shareholders by the implementation of a capital reduction following an application to court on the same date.

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](http://www.longshipsplc.com).