

General Industries plc

Interim Report

30 September 2008

Registered number 05679987

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Directors and Advisers

Directors

J Richard Wollenberg, *Chairman*
Anthony J Shakesby, *Finance Director*
Derek M Joseph, *Non-Executive Director*
Ian T Reynolds, *Non-Executive Director*

Company Secretary

Anthony J Shakesby

Head and Registered Office

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E-mail: webmaster@general-industries.co.uk
Web: www.general-industries.co.uk

Registered Number

05679987

Auditor

KPMG Audit Plc
Chartered Accountants
Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE

Corporate Adviser

Beaumont Cornish Limited
5th Floor
10 – 12 Copthall Avenue
London
EC2R 7DE

Bankers

Bank of Scotland
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Registrars and Transfer Office

Neville Registrars
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

Chairman's Statement

Dear Shareholder

General Industries plc remains quoted on PLUS Markets with a strategy to acquire one or more growing, unquoted companies that wish to seek capital for expansion of their business and a public market for their shares.

As at 30 September 2008, the company's cash deposits, amounting to just under £1 million, were placed on short and medium term bank deposit.

During the period under review, further due diligence was undertaken in respect of a potential acquisition. However after certain criteria were not met your directors discontinued these discussions. Professional costs totalling £36,001 relating to this matter have been written off and are included in administration expenses. Other acquisitions in the recruitment and support services sectors have been assessed but to date your directors have considered individual valuations placed on these companies too high. Your directors continue to analyse other potential acquisitions.

Financial

The company has not traded therefore turnover was £nil. Loss before taxation for the six months ended 30 September 2008 was £22,737 (2007 profit: £14,610) and composed interest from cash on deposit of £28,237 (2007: £27,942) less administrative expenses of £50,974 (2007: £13,332). Loss after taxation amounted to £23,492 (2007 profit: £7,397). Loss per share was 0.23p (2007 earnings: 0.07p).

Dividend

The directors do not recommend the payment of a dividend.

J Richard Wollenberg
Chairman
20 November 2008

Profit and Loss Account

for the six months ended 30 September 2008

	Six months ended 30 September 2008 (Unaudited) £	Six months ended 30 September 2007 (Unaudited) £	Year ended 31 March 2008 (Audited) £
Administrative expenses being operating loss and loss on ordinary activities before interest	(50,974)	(13,332)	(41,036)
Interest receivable and similar income	28,237	27,942	56,348
	<hr/>	<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation	(22,737)	14,610	15,312
Tax on profit on ordinary activities	(755)	(7,213)	(6,603)
	<hr/>	<hr/>	<hr/>
(Loss) / profit on ordinary activities after taxation being profit for the six months	(23,492)	7,397	8,709
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings per share			
<i>On (loss) / profit for the six months</i>			
Basic	(0.23)p	0.07p	0.09p
Diluted	(0.22)p	0.07p	0.08p
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The above results relate entirely to continuing activities. There were no acquisitions or disposals of businesses in the period. The profit for the financial period represents the total gains and losses and the total historical cost profit recognised for the period.

Balance Sheet
as at 30 September 2008

	At 30 September 2008 (Unaudited) £	At 30 September 2007 (Unaudited) £	At 31 March 2008 (Audited) £
Current assets			
Debtors	6,699	3,872	5,718
Cash at bank and in hand	989,281	1,017,291	1,018,106
	995,980	1,021,163	1,023,824
Creditors: amounts falling due within one year	(9,778)	(16,281)	(15,880)
Net current assets being total assets less current liabilities and net assets	986,202	1,004,882	1,007,944
Capital and reserves			
Called up share capital	510,002	510,002	510,002
Share premium account	459,309	459,309	459,309
Profit and loss account	16,891	35,571	38,633
Shareholders' funds – equity	986,202	1,004,882	1,007,944
Net assets per share	9.67p	9.85p	9.88p

Cash Flow Statement

for the six months ended 30 September 2008

	Six months ended 30 September 2008 (Unaudited) £	Six months ended 30 September 2007 (Unaudited) £	Year ended 31 March 2008 (Audited) £
Cash outflow from operating activities	(57,062)	(15,028)	(33,435)
Returns on investment and servicing of finance	28,237	27,942	56,348
Taxation	-	-	(9,184)
	<hr/>	<hr/>	<hr/>
Cash (out)/inflow before financing	(28,825)	12,914	13,729
Financing	-	-	-
	<hr/>	<hr/>	<hr/>
(Decrease) / increase in cash in the six months	(28,825)	12,914	13,729
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Net Cash Flow to Movement in Net Funds

	At 30 September 2008 (Unaudited) £	At 30 September 2007 (Unaudited) £	At 31 March 2008 (Audited) £
(Decrease) / increase in cash and movement in net funds in the six months resulting from cash flows	(28,825)	12,914	13,729
Net funds at beginning of period	<u>1,018,106</u>	<u>1,004,377</u>	<u>1,004,377</u>
Net funds at end of period	<u><u>989,281</u></u>	<u><u>1,017,291</u></u>	<u><u>1,018,106</u></u>

Reconciliation of Operating Loss to Net Cash Flow from Operating Activities for the six months ended 30 September 2008

	Six months ended 30 September 2008 (Unaudited) £	Six months ended 30 September 2007 (Unaudited) £	Year ended 31 March 2007 (Audited) £
Operating loss	(50,974)	(13,332)	(41,036)
Decrease / (increase) in debtors	(981)	1,162	51
(Decrease) / increase in creditors	(6,857)	(4,608)	4,050
Fair value of share options granted	1,750	1,750	3,500
	<u>(57,062)</u>	<u>(15,028)</u>	<u>(33,435)</u>

Notes to the Financial Statements for the period ended 30 September 2008

1. Basis of preparation

The figures for the six months to 30 September 2008, which were approved by the board on 20 November 2008, are unaudited. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the Companies Act 1985. The comparative figures for the year ended 31 March 2008 are extracted from the statutory financial statements for that year which have been filed with the Registrar of Companies and on which the auditor gave an unqualified report, without any statement under section 237 (2) or (3) of the Companies Act 1985.

2. Dividends

As stated in the prospectus, the directors do not intend to pay any dividend until completion of a significant acquisition. Following such an acquisition, the directors will determine an appropriate dividend policy.

3. Taxation

The tax position for the period is estimated on the basis of the anticipated tax rates applying for the full year and includes adjustments to the prior year charge based upon final computations for that period.

4. Reconciliation of Movements in Shareholders' Funds

	Six months ended 30 September 2008 (Unaudited) £	Six months ended 30 September 2007 (Unaudited) £	Period ended 31 March 2008 (Audited) £
At beginning of period	1,007,944	995,735	995,735
(Loss) / profit after tax for the financial period	(23,492)	7,397	8,709
Fair value of share options granted	1,750	1,750	3,500
	<hr/>	<hr/>	<hr/>
	986,202	1,004,882	1,007,944
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