

General Industries plc

Interim Report

30 September 2010

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
3 Assembly Square
Britannia Quay
Cardiff Bay
CF10 4AX

Corporate Adviser

Beaumont Cornish Limited
2nd Floor
Bowman House
29 Wilson Street
London
EC2M 2SJ

Bankers

Bank of Scotland plc
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

Registrars and Transfer Office

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

Chairman's Statement

Dear Shareholder

General Industries plc is 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.

In June this year and in accordance with the special resolution passed at the company's Annual General Meeting on 14 June 2010, the company placed 500,000 ordinary shares at 13p with a new investor, raising an additional £65,000. Another investor recently indicated a willingness to invest in the company and a general meeting is being convened on 21 December 2010 to propose a special resolution to enable the company to issue new shares for cash and raise additional funds. The notice is being sent out with these interim results. The directors who hold 30.37% have indicated that they will vote in favour of the resolution.

During the period under review, potential acquisitions in the medical services, financial services and investment management, support services and mining and exploration sectors were assessed but following due diligence did not fully meet your directors' criteria. Your directors continue to analyse other potential acquisitions.

As at 30 September 2010, the company's cash deposits, amounting to £1.05 million, were placed on short term bank deposit.

Financial

The company did not trade over the six month period and therefore turnover was £nil (2009: £nil). Interest from the company's cash deposits amounted to £8,315 (2009: £7,549). Profit before taxation for the six months ended 30 September 2010 was £230 (2009: loss £6,306), after administrative expenses of £8,085 (2009: £13,855). Administrative expenses are lower than the previous period following the decision of the directors to waive their fees for the period under review. The profit after taxation amounted to £230 (2009: loss £7,549), equivalent to nil per share (2009: loss 0.07p).

Dividend

The directors do not recommend the payment of a dividend.

J Richard Wollenberg

Chairman

11 November 2010

Profit and Loss Account

for the six months ended 30 September 2010

	Six months ended 30 September 2010 (Unaudited) £	Six months ended 30 September 2009 (Unaudited) £	Year ended 31 March 2010 (Audited) £
Administrative expenses being operating loss and loss on ordinary activities before interest	(8,085)	(13,855)	(27,768)
Interest receivable and similar income	8,315	6,306	12,498
	<hr/>	<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	230	(7,549)	(15,270)
Tax on profit/(loss) on ordinary activities	-	-	-
	<hr/>	<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation being profit/(loss) for the six months	230	(7,549)	(15,270)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings per share			
<i>On profit/(loss) for the six months</i>			
Basic	0.00p	(0.07)p	(0.15)p
Diluted	0.00p	(0.07)p	(0.15)p
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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 2010

	At 30 September 2010 (Unaudited) £	At 30 September 2009 (Unaudited) £	At 31 March 2010 (Audited) £
Current assets			
Debtors	3,704	3,990	8,240
Cash at bank and in hand	1,044,942	991,321	982,290
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	1,048,646	995,311	990,530
Creditors: amounts falling due within one year	(424)	(8,098)	(9,288)
	<hr/>	<hr/>	<hr/>
Net current assets being net assets	1,048,222	987,213	981,242
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Capital and reserves			
Called up share capital	535,002	510,002	510,002
Share premium account	499,309	459,309	459,309
Profit and loss account	13,911	17,902	11,931
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Shareholders' funds – equity	1,048,222	987,213	981,242
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Net assets per share	9.80p	9.68p	9.62p
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Cash Flow Statement
for the six months ended 30 September 2010

	Six months ended 30 September 2010 (Unaudited) £	Six months ended 30 September 2009 (Unaudited) £	Year ended 31 March 2010 (Audited) £
Cash outflow from operating activities	(10,663)	(9,106)	(24,329)
Returns on investment and servicing of finance	8,315	6,306	12,498
Taxation	-	-	-
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Cash outflow before financing	(2,348)	(2,800)	(11,831)
Financing	65,000	-	-
	<hr/>	<hr/>	<hr/>
Increase/(decrease) in cash in the period	62,652	(2,800)	(11,831)
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Reconciliation of Net Cash Flow to Movement in Net Funds

	At 30 September 2010 (Unaudited) £	At 30 September 2009 (Unaudited) £	At 31 March 2010 (Audited) £
Increase/(decrease) in cash and movement in net funds in the period resulting from cash flows	62,652	(2,800)	(11,831)
Net funds at beginning of period	982,290	994,121	994,121
Net funds at end of period	1,044,942	991,321	982,290

Reconciliation of Operating Loss to Net Cash Flow from Operating Activities

for the six months ended 30 September 2010

	Six months ended 30 September 2010 (Unaudited) £	Six months ended 30 September 2009 (Unaudited) £	Year ended 31 March 2010 (Audited) £
Operating loss	(8,085)	(13,855)	(27,768)
Decrease in debtors	4,536	5,278	1,027
Decrease in creditors	(8,864)	(2,279)	(1,088)
Fair value of share options granted	1,750	1,750	3,500
Net cash outflow from operating activities	(10,663)	(9,106)	(24,329)

Notes to the Financial Statements

for the period ended 30 September 2010

1. Basis of preparation

The figures for the six months to 30 September 2010, which were approved by the board on 11 November 2010, 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 2006. The comparative figures for the financial year ended 31 March 2010 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not give any reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

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 2010 (Unaudited) £	Six months ended 30 September 2009 (Unaudited) £	Year ended 31 March 2010 (Audited) £
At beginning of period	981,242	993,012	993,012
Profit/(loss) after tax for the financial period	230	(7,549)	(15,270)
Fair value of share options granted	1,750	1,750	3,500
Share premium on shares issued in period (net of expenses)	40,000	-	-
Shares issued in period	25,000	-	-
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	1,048,222	987,213	981,242
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