

Regulatory Announcement

REG-Microcap Equities PLC: Half-yearly Report

Released: 25/09/2009

25 September 2009

Microcap Equities plc
("Microcap" or the "Company")
Interim results
for the six month period ended 30 June 2009

Chairman's statement

I am pleased to report the results for the six months ended 30 June 2009. During the period, the Company incurred a loss before and after taxation of £23,471, compared to £144,366 for the year ended 31 December 2008. The loss is principally attributable to legal and professional fees and subscriptions paid. Since July 2008, the Company has deferred all directors' remuneration and rent. The board has been in negotiation with a potential subscriber for new shares for several months and is hopeful that the negotiation will be successful. No guarantee may be given, however, that such will be the case. If successful, shareholders will be asked to approve the subscription for new shares at a general meeting. If this transaction does not proceed, the Company, having almost exhausted its cash resources, will have to seek an alternative source of funds immediately or cease trading. A further announcement will be made shortly.

N Greenstone
Chairman
25 September 2009

Further enquiries
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Income Statement

For the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited)	Six months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
	£'000	£'000	£'000
Administrative expenses	(23)	(41)	(65)
Operating loss	(23)	(41)	(65)
Other income	-	1	1
Impairment of investments available for sale	-	(26)	(40)
Interest payable and similar charges	-	(40)	(40)
Loss before taxation	(23)	(106)	(144)
Tax expense	-	-	-

Loss for the period	(23)	(106)	(144)
Loss per ordinary share (pence)			
- Basic and diluted	(0.02)p	(0.09)p	(0.13)p
Statement of Comprehensive Income			
	Six months ended 30 June (unaudited)	Six months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
	£'000	£'000	£'000
Loss for the period	(23)	(106)	(144)
Loss on available for sale investments	-	-	(28)
Total recognised expenses for the period	(23)	(106)	(172)
Balance Sheet As at 30 June 2009			
	As at 30 June 2009 (unaudited)	As at 30 June 2008 (unaudited)	As at 31 December 2008 (audited)
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Investments available for sale	2	43	2
Current assets			
Trade and other receivables	13	9	13
Cash and cash equivalents	1	58	20
	14	67	33
Total assets	16	110	35
LIABILITIES			
Current liabilities			
Trade and other payables	14	19	10
Total liabilities	14	19	10
NET ASSETS	2	91	25
Equity and liabilities			
Share capital and reserves			

Share capital	1,790	1,790	1,790
Share premium account	2,967	2,967	2,967
Retained earnings	(4,755)	(4,666)	(4,732)
Total equity	2	91	25

Cash Flow Statement

For the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) £'000	Six months ended 30 June 2008 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
Cash flows from operating activities			
Cash expended from operations	(18)	(28)	(87)
Net cash outflow from operating activities	(18)	(28)	(87)
Cash flows from investing activities			
Interest paid and similar charges	-	(40)	-
Interest received	-	1	1
Net cash (outflow)/ inflow from investing activities	-	(39)	1
Cash flows from financing activities			
Proceeds from issue of shares	-	60	20
New debenture loan	-	(20)	-
Net cash inflow from financing activities	-	40	20
Net decrease in cash and cash equivalents	(18)	(27)	(66)
Reconciliation of net cash flow to movement in net funds			
Decrease in cash and cash equivalents	(18)	(27)	(66)
Cash and cash equivalents brought forward	19	85	85
Cash and cash equivalents carried forward	1	58	19

Statement of changes in equity
Six months ended 30 June 2009

	Share capital - equity	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2009	1,790	2,967	(4,732)	25
Total recognised expenses for the period	-	-	(23)	(23)
At 30 June 2009	1,790	2,967	(4,755)	2
Six months ended 30 June 2008				
	Share capital - equity	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2008	1,730	3,007	(4,600)	137
Total recognised expenses for the period	-	-	(106)	(106)
Shares issued	60	-	-	60
Transfer between reserves	-	(40)	40	-
At 30 June 2008	1,790	2,967	(4,666)	91
Year ended 31 December 2008				
	Share capital - equity	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2008	1,730	3,007	(4,600)	137
Total recognised expenses for the period	-	-	(172)	(172)
Shares issued	60	-	-	60
Transfer from share premium account	-	(40)	40	-
At 31 December 2008	1,790	2,967	(4,732)	25

Notes to the Interim Financial Statements for the six months ended 30 June 2009

1. Basis of preparation

The interim results are unaudited and do not constitute statutory accounts for the purpose of s240 of the Companies Act 1985 (s434 of the Companies Act 2006). They have been prepared under applicable International Financial reporting Standards adopted by the European Union ('IFRS').

The accounting policies applied in preparing the interim financial statements are consistent with those set out in the statutory accounts for the year ended 31 December 2008. The figures for the year ended 31 December 2008 have been extracted from the statutory accounts filed with the registrar of companies on which the auditors gave an unqualified report.

The following new standard is mandatory for the first time for the financial

year beginning 1 January 2009:

* IAS 1(revised) Presentation of Financial Statements. The revised statement prohibits the presentation of items of income and expense (that is 'non-owner changes in equity') in the statement of changes in equity, requiring the 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be presented in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has decided to present two statements. The interim results have been prepared under the revised disclosure requirements.

The financial information for the six months to 30 June 2009 and the six months to 30 June 2008 has not been audited. As permitted, the Company has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing the interim financial information.

2. Loss per share

The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue. There are no potential ordinary shares which are dilutive and therefore diluted loss per share equals basic loss per share.

The weighted average number of ordinary shares during the period was:

	Six months ended 30 June 2009 (unaudited)	Six months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
Weighted average number of ordinary shares	114,941,002	112,600,343	113,773,879
	£'000	£'000	£'000
Loss attributable to equity share holders	(23)	(106)	(144)
Basic loss per share (pence)	(0.02)p	(0.09)p	(0.13)p

3. Dividends

No dividends have been declared for the six months ended 30 June 2009.

END