

Web Shareshop (Holdings) plc

Interim report

Half year ended 31 January 2002

Web Shareshop (Holdings) plc

Interim report – six months ended 31 January 2002

Management commentary

Highlights

The Directors present their Interim Report for the six months ended 31 January 2002.

As was explained in the previous Chairman's statement of 17 October 2001 accompanying the financial statements and in his announcement to shareholders dated 14 January 2002, market conditions have prevented the Group from proceeding with the original business plan. Consequently, the Directors sought other ways to generate Shareholder value whilst remaining focused on new issues and pre-IPO small company stocks.

Accordingly, since the financial statements for the period to 31 July 2001 were issued, the Group has:

- Mothballed the Placings Club software and closed the web-site;
- Significantly reduced overheads;
- Issued 6,450,000 Ordinary shares of £0.01 each to Mr Bruce Rowan at a price of £0.025 per share to raise £161,250 of new money for the Company;
- Appointed Mr Bruce Rowan as Chairman and Chief Executive; with the exception of Mr John Watkins, all other directors have resigned;
- Made the first investments in accordance with the new business plan.

Results

Results for the six months to 31 January 2002 record an operating loss of £303,343, reflecting the continued web-site maintenance costs together with professional and business development costs. The loss was offset by interest of £7,989, reducing the loss for the six months period to £295,354.

At 31 January 2002, the Group had £438,038 cash in the bank, net current assets of £538,872 and net assets of £539,302.

No dividends have been proposed for the period.

Prospects

The Group has now completed the re-focus of the business into underwriting small company new issues and pre-IPO stocks from which the Directors expect to deliver improved Shareholder value.

At the same time, the Directors will continue to seek ways by which value can be obtained from the investments made in the Company's information systems and the Placings Club.

I look forward to having more positive news to report to you following the Group's year end.

R Bruce Rowan
Chairman & Chief Executive

19 March 2002

Web Shareshop (Holdings) plc

Consolidated Profit & Loss Accounts

	Note	6 months to 31 January 2002	12 months to 31 January 2001	18 month period ended 31 July 2001
		Unaudited £,000	Unaudited £,000	Audited £,000
Commission earned		0	1	3
Group establishment expenses			(4)	
Group administrative expenses		(303)	(743)	(1,184)
Group operating loss		(303)	(746)	(1,181)
Group interest receivable		8	22	50
Loss on ordinary activities before taxation		(295)	(724)	(1,131)
Tax on loss on ordinary activities		-	-	-
Loss on ordinary activities after taxation		(295)	(724)	(1,131)
Dividends on equity shares		-	-	-
Retained loss for the period		(295)	(724)	(1,131)
Loss per share				
Basic and diluted	3	(1.4)	(4.4)	(6.5)

Web Shareshop (Holdings) plc

Consolidated Balance Sheet

	Note	6 months to 31 January 2002	12 months to 31 January 2001	18 month period ended 31 July 2001
		Unaudited £,000	Unaudited £,000	Audited £,000
Fixed assets				
Intangible assets		0	12	9
Tangible assets		1	62	32
		1	74	41
Current assets				
Debtors		16	132	62
Cash at bank and in hand		438	1,135	725
Trade investments	2	112	-	-
		566	1,267	787
Creditors				
Amounts falling due within one year		(28)	(261)	(155)
		538	1,006	632
Net current assets				
		539	1,080	673
Total assets less current liabilities				
Capital and reserves				
Called up share capital		262	198	198
Share premium account		1,325	1,227	1,227
Merger reserves		424	424	424
Profit and loss account		(1,472)	(769)	(1,176)
		539	1,080	673
Equity shareholders' funds				

Reconciliation of Movement in Shareholders' Funds

	6 months to 31 January 2002	12 months to 31 January 2001	18 month period ended 31 July 2001
	Unaudited £,000	Unaudited £,000	Audited £,000
Total recognised losses relating to the period	(295)	(724)	(1,131)
Net proceeds of share issues	161	1,432	1,432
Increase/(decrease) in shareholders' funds	(134)	708	301
Opening shareholders' funds	673	372	372
	539	1,080	673
Closing shareholders' funds			

Web Shareshop (Holdings) plc

Notes

1. History and funding

Web Shareshop (Holdings) plc was incorporated on 20 April 2000. On 30 May 2000, the Company acquired 100% of the share capital of The Web Shareshop Limited and its subsidiaries by way of a share for share exchange. Following an offer for subscription through which it raised £1,569,540 of new capital, the Company's shares were admitted for trading to the Alternative Investment Market on 5 September 2000; a further £39,999 was raised in October 2000.

In accordance with an agreement dated 16 October 2001, on 11 January 2002 the Company raised a further £161,250 by the issue of 6,450,000 new Ordinary shares of £0.01 at a price of £0.025 each to Mr Bruce Rowan.

2. Basis of accounting

The consolidated financial statements have been prepared using merger accounting. Under merger accounting the results and cash flows are combined from the beginning of the financial period and all comparatives are stated on the combined basis. These interim financial statements consolidate the financial statements of the Company and its subsidiaries.

The first full reporting period of the Company and the Group was for the period ended 31 July 2001; the Company and Group will report again for the full year to 31 July 2002.

These interim financial statements cover the six month period to 31 January 2002

The Group's investment at 31 January 2002 is valued at cost.

3. Loss per share

	6 months to 31 January 2002	12 months to 31 January 2001	18 month period ended 31 July 2001
	Unaudited £,000	Unaudited £,000	Audited £,000
These have been calculated on losses of	(295)	(724)	(1,131)
The weighted average number of shares used was:	20,316,630	16,486,370	17,410,380
Basic and diluted loss per share:	1.4p	4.4p	6.5p

4. Interim report

This interim report was neither audited nor reviewed by the auditors. It was approved by the Board on 19 March 2002. It has been prepared using accounting policies that are consistent with those adopted in the statutory accounts for the period ended 31 July 2001 by the Group and its subsidiary undertakings.