

**Consolidated Balance Sheet**

Note	6 months to 31 January 2003 Unaudited £,000	6 months to 31 January 2002 Unaudited £,000	Year ended 31 July 2002 Audited £,000
<b>Fixed assets</b>			
Intangible assets	0	0	0
Tangible assets	0	1	0
	0	1	0
<b>Current assets</b>			
Debtors	8	16	15
Trading investments	2 402	112	373
Cash at bank and in hand	43	438	125
	453	566	513
<b>Creditors</b>			
Amounts falling due within one year	(32)	(28)	(28)
	421	538	485
<b>Net current assets</b>			
	421	539	485
<b>Total assets less current liabilities</b>			
	421	539	485
<b>Capital and reserves</b>			
Called up share capital	262	262	262
Share premium account	1,325	1,325	1,325
Merger reserves	424	424	424
Profit and loss account	(1,590)	(1,472)	(1,526)
	421	539	485
<b>Equity shareholders' funds</b>			
	421	539	485
<b>Reconciliation of Movement in Shareholders' Funds</b>			
	6 months to 31 January 2003 Unaudited £,000	6 months to 31 January 2002 Unaudited £,000	Year ended 31 July 2002 Audited £,000
Total recognised losses relating to the period	(64)	(295)	(349)
Net proceeds of share issues	0	161	161
	(64)	(134)	188
Increase/(decrease) in shareholders' funds	485	673	673
	421	539	485
Closing shareholders' funds	421	539	485

**Interim report notes****1. Interim report**

The information relating to the six month periods to 31 January 2003 and 31 January 2002 is unaudited.

The information relating to the year ended 31 July 2002 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report.

**2. Basis of accounting**

The report has been prepared using accounting policies that are consistent with those adopted in the statutory accounts for the year ended 31 July 2002 by the Group and its subsidiary undertaking, although the information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

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 Company and Group will report again for the full year to 31 July 2003.

The Group's investments at 31 January 2003 are valued at cost.

**3. Loss per share**

	6 months to 31 January 2003 Unaudited £,000	6 months to 31 January 2002 Unaudited £,000	Year ended 31 July 2002 Audited £,000
These have been calculated on losses of	(64)	(295)	(349)
The weighted average number of shares used was:	26,229,130	20,316,630	23,419,404
Basic and diluted loss per share:	0.24p	1.4p	1.5p

Copies of this interim report are available free of charge by application in writing to the Company Secretary at the Company's registered office, 123 Goldsworth Road, Woking, GU21 1LR, or by email to [info@websharshop.com](mailto:info@websharshop.com).

**Web Sharshop (Holdings) plc***Interim report*

Half year ended 31 January 2003

**Chairman's statement***Interim report – six months ended 31 January 2003***Highlights**

Since the financial statements for the year to 31 July 2002 were issued, the Group has made one further investment in accordance with the business plan. Stockmarket conditions have been such that it did not prove possible to realise any part of the satisfactory investment gains made.

**Results**

Results for the six months to 31 January 2003 record an operating loss of £64,614 reflecting the Group's overheads during the period. Investment profits will only be accounted for when realised. The loss was offset by interest of £734, reducing the net loss for the six months period to £63,880, that is 0.24 pence per share. At 31 January 2003, the Group had £43,100 cash in the bank, net current assets of £421,346 and net assets of £421,346. Trading investments are included in the statement at the lower of cost or market valuation. The mid market valuation at 31 January 2003 was £1,101,000, giving unrealised investment profits of £698,000.

No dividends have been proposed for the period.

The underlying net asset value per share based on mid market quotations as at 31 January 2003 was 6.4 pence, fully diluted, up from 5.7 pence at 31 July 2002.

**Investments and current activities**

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.

The trade investment portfolio currently comprises holdings in the following:

	<i>Activities</i>	<i>Domicile</i>	<i>Equity held %</i>
Franconia Minerals Corporation	North American minerals	Canada	25%
Hidefield plc	North American mining & energy	England & Wales	16%
Southern African Resources plc	High value metals & minerals	England & Wales	9.85%
St Helens Capital plc	Corporate finance advisor	England & Wales	9.7%

In addition, the Group holds warrants, the terms of which permit the purchase of new shares at prices below the current market prices in Franconia, Hidefield and Southern African Resources.

The Directors are pleased with the trade investments made, although disappointed that the state of markets has dictated they must be held for longer than originally envisaged. It remains the Directors' intention to take profits as opportunities arise, although this is not anticipated before mid 2003.

Since mid 2002, it has been the Directors' intention to seek further capital so as to expand the Group's resources. Given the state of markets, the original intention to arrange a placing of 10% of the Company's shares at 5 pence per share was deferred; a suitable opportunity has not yet presented itself.

Accordingly, the Directors are taking soundings with a view to raising up to £100,000 at a price or prices closer to the current mid market price of 2 pence per share. Such a funding will provide additional working capital until the Group's trade investment profits can be realised and further investment opportunities pursued.

The Directors are very pleased with the six month results and look forward to reporting continuing positive news following the Group's July year end.

**R Bruce Rowan***Chairman & Chief Executive*

24 February 2003

**Consolidated Profit & Loss Accounts**

	Note	6 months to 31 January 2003 Unaudited £,000	6 months to 31 January 2002 Unaudited £,000	Year ended 31 July 2002 Audited £,000
<b>Commission earned</b>		0	0	0
Group establishment expenses				
Group administrative expenses		(65)	(303)	(360)
<b>Group operating loss</b>		(65)	(303)	(360)
Group interest receivable		1	8	11
<b>Loss on ordinary activities before taxation</b>		(64)	(295)	(349)
Tax on loss on ordinary activities		-	-	-
<b>Loss on ordinary activities after taxation</b>		(64)	(295)	(349)
Dividends on equity shares		-	-	-
<b>Retained loss for the period</b>		(64)	(295)	(349)
<b>Loss per share</b>				
Basic and diluted	3	(0.24)	(1.4)	(1.5)