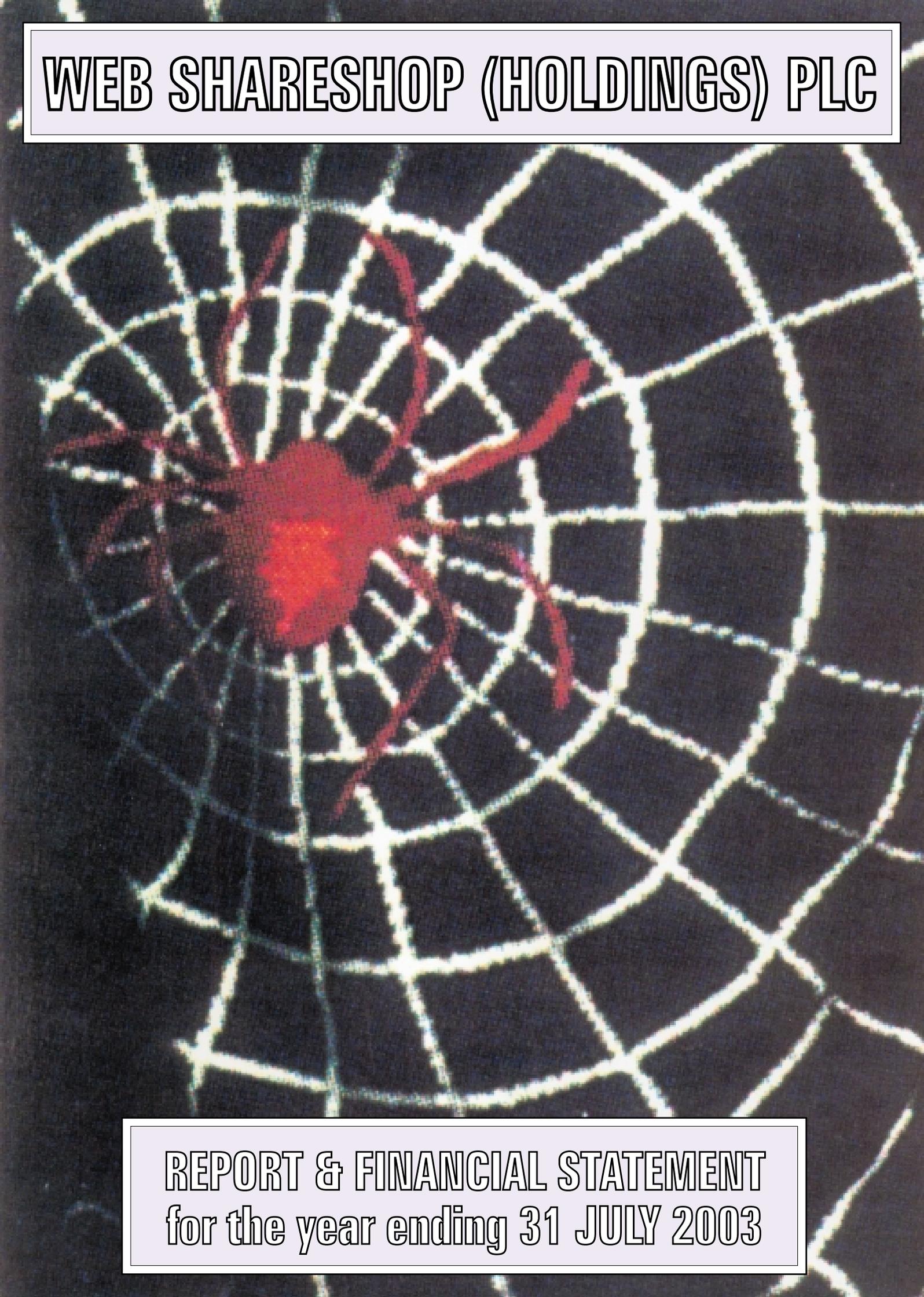


WEB SHARESHOP (HOLDINGS) PLC

A red spider is positioned in the center of a glowing yellow web. The web is a complex, circular pattern of interconnected lines that create a grid-like structure. The background is dark, making the glowing web and the red spider stand out prominently.

REPORT & FINANCIAL STATEMENT
for the year ending 31 JULY 2003

Chairman's statement

I am pleased to present my second annual statement to shareholders for the year ended 31 July 2003.

Highlights

Since the interim report to 31 January 2003 was issued, the Group has made its first very satisfactory trade investment sale to realise its first profit; also, it has made one further investment in accordance with the business plan. Stock market conditions continue to be such that further profit taking has not proved possible.

Results

The results for the twelve months to 31 July 2003 record a gross profit of £160,649 and an operating profit of £41,471 after all expenses; net interest payable of £47 leaves a net profit for the year before taxation of £41,424. During the period January to July 2003, the Group sold warrants to subscribe for ordinary shares in Hidefield plc for £159,519; these had been secured at no cost. As at 31 July 2003, the Group had £176,460 cash in the bank, net current assets of £568,500 and net assets of £568,750; trading investments are included at cost. The mid market valuation at 31 July 2003 was £1,125,812, giving an unrealised investment profit of £703,312.

No dividend has been proposed for the year.

The underlying net asset value per share based on the mid market quotations as at 31 July 2003 was 5.1 pence, fully diluted; since the year end, this has improved to stand at 7.1 pence per share on 9 September. The previous values were 6.4 pence at 31 January 2003 and 5.7 pence at 31 July 2002.

Investments and current activities

Having made a further investment since the balance sheet date, the trade investment portfolio currently comprises:

	<i>Activities</i>	<i>Domicile</i>	<i>Equity held %</i>
Beowulf Gold plc	Gold exploration and development	England & Wales	5.79
Black Swan Resources Limited	Diamonds and gold exploration	Canada	0.79
Franconia Minerals Exploration	North American minerals	Canada	25.12
Hidefield plc	North American mining & energy	England & Wales	11.18
Southern African Resources plc	High value metals & minerals	England & Wales	9.68
St Helen's Capital plc	Corporate finance advisor	England & Wales	9.69

In addition, the Group holds warrants, the terms of which permit the purchase of new shares at a price below the current market price in Southern African Resources.

The Group will continue to seek opportunities to underwrite small company new issues and support pre-IPO opportunities so as to enhance Shareholder value and to make disposals as soon as market conditions permit.

The Group's overheads have been stabilised at approximately £65,000 per annum, exclusive of the Directors' fees and subject to increases arising from inflation and increased activity.

The Directors have a broad strategy to make, say, six trade investments per year, each with warrants or options attached and to expect a 100% return within six to nine months. Whilst there are opportunities available for profitable trading, current resources are a limiting factor.

Funding requirement

In order to finance the Group's proposed activities, the Directors are seeking to raise additional capital through a placing at a discount to net asset value. In view of the AIM limitation on placings, the likelihood is that this will be of 2.76 million shares @ 5 pence to raise £138,000, being 10% of current issued shares of 27,632,430. The Directors expect this to be concluded shortly.

The Directors continue to be most satisfied with the overall achievements to date and look forward to reporting improved results in the years ahead.

R Bruce Rowan

Chairman & Chief Executive

10 September 2003

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Board of directors

R Bruce Rowan – Chairman and Joint Chief Executive

Bruce Rowan has managed the Group's operations since 31 January 2002. He is a director and substantial shareholder of several public companies.

John Watkins, FCA – Finance Director and Company Secretary

John Watkins, a chartered accountant in practice, provides services as necessary to the Group relating to financial and company secretarial matters.

Directors' report

The Directors present their third annual report on the affairs of the Company and Group, together with the financial statements for the year ended 31 July 2003.

Principal activities and business review

Mr Bruce Rowan was appointed as Chief Executive on 31 January 2002 with a view to using his known expertise to underwrite small company new issues and to trade in pre IPO stocks. This activity was commenced immediately following his appointment and has continued as resources and stock market conditions have allowed.

On 27 February 2003 the Company raised a further £42,099 by the issue of 1,403,300 shares which were admitted to the Alternative Investment Market in March 2003.

The developments during the period are given in the Chairman's statement.

Results and dividends

The Group's results are described in the profit and loss account on page 7. The audited accounts for the year ended 31 July 2003 are set out on pages 7 to 17.

The Directors do not recommend the payment of a dividend.

Directors and their interests

The Directors who served during the period, together with all their beneficial interests in the shares of the Company at 31 July 2003 are as follows:

	31 July 2003			31 July 2002	
	Ordinary shares of £0.01 each	%	Share options	Ordinary shares of £0.01 each	Share options
Ronald Bruce Rowan	8,270,000	29.93	1,400,000	7,850,000	1,400,000
John Watkins	650,000	2.35	700,000	500,000	700,000

On 27 June 2002, the Group established the 2002 share option scheme and granted options over a total of 2,100,000 Ordinary shares of £0.01 at an exercise price of £0.05 per share. The options expire on 27 June 2007.

Apart from the interests disclosed above, no director held any other interest in the share capital of the Company during the year. No changes in the interests disclosed above have taken place since the year end.

Non-executive directors

The Company is in the early stage of development. It is the Director's intention to appoint a non-executive director as soon as a suitable candidate is identified.

Substantial shareholdings

On 31 July 2003, the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	Ordinary shares of £0.01 each	Percentage of issued share capital
John McNair	1,500,000	5.43%
Rock Nominees Limited	900,000	3.26%
Ronald Bruce Rowan	8,270,000	29.93%
Sharelink Nominees Limited	4,295,679	15.55%

Note: Of the shares registered in the name of Sharelink Nominees Limited, the Company has been advised that 3,733,300 (13.51%) are held on behalf of Mr E A C Neubauer and Mrs P J Wrig.

Share capital

Information relating to shares issued during the period is given in note 14 to the accounts.

Charitable and political donations

During the period there were no charitable or political contributions.

Payment of suppliers

The Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 14 days of receipt of invoice. Trade creditors of the Company at the year-end were mostly invoiced at the end of July 2003; they are equivalent to 100 days based on the average daily amount invoiced by suppliers during the year.

Post balance sheet events

There were no post balance sheet events to be disclosed.

Remuneration

The remuneration of the Directors has been fixed by the Board as a whole. This has been achieved acknowledging the need to maximise the effectiveness of the Company's limited resources during the year.

No Directors' remuneration was paid for the year to 31 July 2003, although details of payments made for professional services rendered are set out in the related party transaction note 20 to the accounts.

Management incentives

Other than the 2002 share option scheme noted above, the Group has no bonus, share purchase, share option or other management incentive scheme. In accordance with legislation, the Company has introduced a stakeholders' pension plan for the benefit of any future employees.

Corporate Governance

It is the intention of the Board to comply with the recommendations of the Combined Code on corporate governance. Bearing in mind the limited cash resources, such procedures will be established as are appropriate for the size of the business as it is developed.

Control procedures

The Board has approved financial budgets and cash forecasts; in addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

By order of the Board

John Watkins

Finance Director and Company Secretary

10 September 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the Company and Group for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on a going concern basis only if it is appropriate to assume the Company and Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

Independent auditors' report to the shareholders of Web Shareshop (Holdings) plc

We have audited the financial statements on pages 7 to 17 for the year ended 31 July 2003. These financial statements have been prepared following the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications on our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited

Chartered Accountants
Registered Auditors
Guildford

11 September 2003

Consolidated profit and loss account

for the year ended 31 July 2003

	Notes	Year ended 31 July 2003	Year ended 31 July 2002
		£	£
Turnover	1	160,649	429
Cost of sales		-	-
Gross profit		160,649	429
Administrative expenses		(119,178)	(360,456)
Operating profit/(loss) on ordinary activities		41,471	(360,027)
Interest receivable	3	-	10,609
Interest payable	3	(47)	(12)
Profit/(loss) on ordinary activities before and after taxation		41,424	(349,430)
Retained profit/(loss) for the year		41,424	(349,430)
Profit/(loss) per share – basic and diluted	8	0.15 pence	(1.5 pence)

There are no recognised gains or losses in either year other than the profit/(loss) for the year.

All of the operations are considered to be continuing.

Consolidated balance sheet

As at 31 July 2003

	Note	Year ended 31 July 2003	Year ended 31 July 2002
		£	£
Fixed assets			
Tangible assets	9	250	500
Current assets			
Debtors	11	12,050	15,393
Trading investments	12	422,500	372,500
Cash at bank		176,460	125,066
		<u>611,010</u>	<u>512,959</u>
Less:			
Creditors – amounts due within one year	13	<u>(42,510)</u>	<u>(28,232)</u>
Net current assets		<u>568,500</u>	<u>484,727</u>
Net assets		<u>568,750</u>	<u>485,227</u>
Share capital and reserves			
Called-up share capital	14	276,324	262,291
Share premium account	15	1,352,581	1,324,515
Profit and loss account	15	(1,484,565)	(1,525,989)
Merger reserve	15	<u>424,410</u>	<u>424,410</u>
Shareholders funds – equity interest	16	<u>568,750</u>	<u>485,227</u>

The accounts on pages 7 to 17 were approved by the Board of Directors on 10 September 2003 and signed on its behalf by:

R Bruce Rowan
Chairman and Chief Executive

John Watkins
Finance Director

10 September 2003

The accompanying notes form an integral part of this balance sheet.

Company balance sheet

As at 31 July 2003

	Note	Year ended 31 July 2003	Year ended 31 July 2002
		£	£
Fixed assets			
Investments	10	1,427,573	1,427,573
Current assets			
Debtors	11	203,116	161,017
Net current assets		203,116	161,017
Total assets less current liabilities		1,630,689	1,588,590
Share capital and reserves			
Called-up share capital	14	276,324	262,291
Share premium account	15	1,352,581	1,324,515
Profit and loss account	15	1,784	1,784
Shareholders funds – equity interest	16	1,630,689	1,588,590

The accounts on pages 7 to 17 were approved by the Board of Directors on 10 September 2003 and signed on its behalf by:

R Bruce Rowan
Chairman and Chief Executive

John Watkins
Finance Director

10 September 2003

The accompanying notes form an integral part of this balance sheet.

Consolidated cash flow statement

for the year ended 31 July 2003

	Note	Year ended 31 July 2003	Year ended 31 July 2002
		£	£
Net cash inflow/(outflow) from operating activities	17	9,342	(694,173)
Returns on investments and servicing of finance	18	(47)	10,597
Capital expenditure and financial investments		-	15,000
Cash inflow/(outflow) before management of liquid resources and financing		9,295	(668,576)
Management of liquid resources	18	115,000	585,562
Financing – issue of Ordinary share capital	18	42,099	161,250
Increase/(decrease) in cash in the year		166,394	78,236
Net funds/(debt) at the beginning of the year		10,066	(68,170)
Net funds/(debt) at the end of the year	19	176,460	10,066

The accompanying notes form an integral part of this cash flow statement.

Statement of accounting policies

for the year ended 31 July 2003

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of Web Shareshop (Holdings) plc and its subsidiary drawn up to 31 July 2003.

Intangible fixed assets

Acquired ideas, concepts and intellectual property are written off in equal annual instalments over their estimated useful economic life of 5 years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	50% straight line
Fixtures and fittings	20% straight line

Investments

Fixed asset investments are stated at cost less any provision for impairment. Trade investments are stated at the lower of cost or mid-market valuation; profits and losses, including profits arising from warrants held are accounted for as realised.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax

Deferred tax is provided on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date.

No timing differences are recognised in respect of (i) property revaluation surpluses where there is no commitment to sell the asset; (ii) gains on sale of assets have been rolled over into replacement assets; and (iii) additional tax which would arise if profits of overseas subsidiaries are distributed except where otherwise required by accounting standards.

A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Website design and software development costs

Website design and software development costs are written off to the profit and loss account as incurred.

Notes to financial statements

for the year ended 31 July 2003

1 Turnover

The total turnover of the Group for the year has been derived from its principal activities and is wholly undertaken in the United Kingdom.

2003	2002
£	£

2 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

Auditors' remuneration – audit	10,391	8,990
Auditors' remuneration - non-audit services (paid to related companies)	2,291	7,637
Depreciation of tangible assets	250	16,430
Amortisation of intangible assets	-	9,000
Directors' emoluments	-	20,862

3 Interest

Interest receivable:

Bank interest	-	10,609
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Interest payable:

Bank loans and overdrafts	-	(12)
Other interest	(47)	-

4 Taxation

There is no provision for taxation in either year because of the losses brought forward.

Domestic current year taxation

Current tax – UK corporation tax on profits for the year	-	-
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Factors affecting tax charge for the year

The tax losses carried forward are calculated as shown below.

Profit/(loss) on ordinary activities before taxation	41,424	(349,430)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax for small companies in the UK at 30% (2002: 30%)	12,428	(104,829)
Expenses not deductible for tax purposes	101	10,964
Capital allowances for the year in excess of depreciation	-	11,213
Tax losses brought forward	(416,218)	(333,635)
Prior year adjustments	51,518	
Tax losses carried forward	352,171	416,287
Current tax charge for year	-	-

Factors that may affect future tax charges

There are no factors that may affect the future tax charge than the losses carried forward.

5 Staff costs

The Group had no employees during the year (2002: 2 management and 2 administration); the two directors provide professional services as required on a part time basis.

Salaries	-	23,918
Social security costs	-	1,436

Notes to financial statements

for the year ended 31 July 2003, continued

6 Directors' emoluments:	2003	2002
	£	£
<i>Executive directors –part time:</i>		
R S Wilkinson	-	1,146
E A C Neubauer	-	570
U S Burke	-	1,146
Sums paid to third parties for director's services	-	18,000
Total	-	20,862

No pension benefits are provided for any director.

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the company granted to or held by the directors.

During the previous year R Bruce Rowan was granted options over 1,400,000 ordinary shares exercisable at a price of £0.05 per share and John Watkins was granted options over 700,000 ordinary shares at £0.05 per share. The options are exercisable between 27 June 2002 up to and including 27 June 2007.

During a previous period William Jackson was granted options over 1,964,580 ordinary shares exercisable at a price of £0.05 per share. The options were exercisable between 21 May 2001 up to and including 31 January 2003, being one year following his resignation as Chairman. They were not exercised and so lapsed during the year.

7 Profit attributable to parent undertaking

The profit for the year dealt with in the accounts of the parent company was £NIL (2002: loss £233). As permitted by Section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company.

8 Profit/(loss) per share	2003	2002
	£	£
The basic earnings per share is derived by dividing the profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of shares in issue. There were no diluting factors in the period.		
Profit/(loss) for the period	41,424	(349,430)
Weighted average number of Ordinary shares of £0.01 in issue	26,825,052	23,419,404

9 Tangible fixed assets

	Office equipment	Total
Group Cost	£	£
At 1 August 2002	1,250	1,250
Additions during the year	-	-
At 31 July 2003	1,250	1,250
Depreciation		
At 1 August 2002	750	750
Charge for the year	250	250
At 31 July 2003	1,000	1,000
Net book amount		
At 31 July 2003	250	250
At 31 July 2002	500	500

Notes to financial statements

for the year ended 31 July 2003, continued

10 Fixed asset investments	2003	2002
	£	£
Company Cost		
At 1 August 2002	1,427,573	144,140
Additions	-	1,283,433
At 31 July 2003	<u>1,427,573</u>	<u>1,427,573</u>

The parent Company of the Group holds more than 20% of the share capital of the following company.

Company	Country of registration	Class	Proportion held by group	Nature of business
The Web Sharesop Limited	England & Wales	Ordinary	100%	Underwriting small company new issues and pre IPO stocks

The result of the year for Web Sharesop Limited is £41,425 (2002: £349,197 loss).

11 Debtors	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Amounts owed by group undertaking	-	-	203,116	161,017
Other debtors	-	-	-	-
Prepayments	12,050	15,393	-	-
Total	<u>12,050</u>	<u>15,393</u>	<u>203,116</u>	<u>161,017</u>

12 Current asset investments, at cost	2003	2002
Group	£	£
Listed investments	260,000	260,000
Other unlisted investments	162,500	112,500
	<u>422,500</u>	<u>372,500</u>
The market value of these investments was:		
Listed investments	688,400	665,000
Other unlisted investments – quoted on OFEX	437,412	343,459
Total	<u>1,125,812</u>	<u>1,008,459</u>

Significant shareholdings

Via the Company's 100% interest in The Web Sharesop Limited it has the following significant shareholdings :

Company	Country of registration or incorporation	Shares held	
		Class	%
Beowulf Gold plc	England & Wales	Ordinary	5.79
Franconia Minerals Corporation	Canada	Common	25.12
Hidefield plc	England & Wales	Ordinary	11.18
Southern African Resources plc	England & Wales	Ordinary	9.68
St Helen's Capital plc	England & Wales	Ordinary	9.69

Notes to financial statements

for the year ended 31 July 2003, continued

13 Creditors	2003	2002
	£	£
Group		
Amounts falling due within one year:		
Trade creditors	32,568	10,108
Other creditors	-	7,920
Accruals	9,942	10,204
Total	42,510	28,232

14 Share capital

The authorised share capital of the Company and the called up and fully paid amounts were as follows:

	Number	Nominal £
<i>Authorised</i>		
As at 31 July 2002 and 31 July 2003, Ordinary shares of £0.01 each	100,000,000	1,000,000
<i>Called up, allotted, issued and fully paid</i>		
At 31 July 2002	26,229,130	262,291
Issued 27 February 2003	1,403,300	14,033
At 31 July 2003	27,632,430	276,324

During the year, share capital, comprising 1,403,300 Ordinary shares of £0.01 each, was issued for a consideration of £42,099, being £0.03 pence per share.

Options have been granted under the company's share option schemes to subscribe for ordinary shares of the company as follows:

Number of shares under option	Subscription price per share	Exercise period
2,100,000	£0.05	27 June 2002 to 27 June 2007

Options issued during 2001 to a former director over 1,964,580 Ordinary shares lapsed on 31 January 2003.

15 Reserves

The movements on reserves during the year were as follows:

	Share premium account	Profit and loss account	Merger reserve
Group	£	£	£
As at 31 July 2002	1,324,515	(1,525,989)	424,410
Issue of shares	28,066	-	-
Profit for the year	-	41,424	-
As at 31 July 2003	1,352,581	(1,484,565)	424,410
Company			
As at 31 July 2002	1,324,515	1,784	
Issue of shares	28,066	-	
Profit for the year	-	-	
As at 31 July 2003	1,352,581	1,784	

Notes to financial statements

for the year ended 31 July 2003, continued

16 Movement on equity shareholders' funds	2003	2002
	£	£
Group		
Profit/(loss) for the year	41,424	(349,430)
Proceeds of share issues	42,099	161,250
Net increase/(decrease) in shareholders' funds	83,523	(188,180)
Opening shareholders' funds	485,227	673,407
Closing equity shareholders' funds	568,750	485,227
Company		
Profit/(loss) for the year	-	(232)
Proceeds of share issues	42,099	161,250
Net increase in shareholders' funds	42,099	161,018
Opening shareholders' funds	1,588,590	1,427,572
Closing equity shareholders' funds	1,630,689	1,588,590
17 Reconciliation of operating profit to operating cash flows		
Operating profit/(loss)	41,471	(360,027)
Depreciation	250	16,430
Amortisation	-	9,000
Decrease in debtors	3,343	47,061
Increase/(decrease) in creditors	14,278	(34,137)
Increase in trading investments	(50,000)	(372,500)
Net cash inflow/(outflow) from operating activities	9,342	(694,173)
18 Analysis of cash flows		
Returns on investments and servicing of finance		
Interest received	-	10,609
Interest paid	(47)	(12)
Net cash (outflow)/inflow	(47)	10,597
Capital expenditure and financial investment		
Sales of tangible fixed assets	-	15,000
Net cash inflow	-	15,000
Management of liquid resources		
Cash withdrawn from deposit	115,000	585,562
Net cash inflow	115,000	585,562
Financing		
Issue of ordinary share capital	42,099	161,250
Net cash inflow	42,099	161,250

Notes to financial statements

for the year ended 31 July 2003, continued

19 Analysis and reconciliation of net funds	31 July 2002	Cash flow	31 July 2003
	£	£	£
Cash in hand and at bank	125,066	51,394	176,460
Cash (placed on)/withdrawn from deposit	(115,000)	115,000	-
Net funds increase in the year	<u>10,066</u>	<u>166,394</u>	<u>176,460</u>
		2003	2002
		£	£
Increase in cash in year		<u>166,394</u>	<u>78,236</u>
Movement in net funds in the year		166,394	78,236
Net funds/(debt) at 1 August 2002		10,066	(68,170)
Net funds at 31 July 2003		<u>176,460</u>	<u>10,066</u>

20 Related party transactions

The director, Bruce Rowan, received the sum of £12,000 during the period through his business for the provision of office facilities and £24,000 (2002: £12,000) for normal professional services.

The director, John Watkins, FCA received the sum of £ 15,090 plus VAT (2002: £9,833) during the year through his business for normal professional services.

21 Control

There is considered to be no ultimate controlling party.

Notice of Annual General Meeting

Web Sharesop (Holdings) plc

Notice is hereby given that the third Annual General Meeting of Web Sharesop (Holdings) plc will be held at the offices of Grant Thornton, Grant Thornton House, Euston Square, London, NW1 2EP on Thursday 30 October 2003 at 3.00 pm for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the case of resolutions 1 to 3 and as special resolutions in the case of resolutions 4 and 5.

ORDINARY BUSINESS

- 1 To receive the report of the Directors and the audited financial statements of the Company for the year ended 31 July 2003 and to consider the recommendation of the Directors that no dividend be declared in respect of the year.
- 2 To re-appoint John Watkins retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.
- 3 To appoint Grant Thornton as auditors of the Company in place of Nexia Audit Limited, the retiring auditors, to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.

SPECIAL BUSINESS

- 4 For the purposes of section 80 of the Companies Act 1985 ("the Act"), to generally and unconditionally authorize the Directors to exercise all the powers of the Company to allot any relevant securities (as defined in section 80(2) of the Act) up to a maximum aggregate nominal amount of £488,280, provided that:
 - a) this authority shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of passing of this Resolution, unless previously varied, revoked or renewed by the Company in General Meeting;
 - b) the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the directors may allot any relevant securities pursuant to such offer or agreement as if such authority had not expired; and
 - c) all prior authorities to allot relevant securities be revoked but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.
- 5 To grant to the Directors power pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) wholly for cash pursuant to the authority conferred on them by resolution 4 as if section 89(1) of the Act did not apply to any such allotment provided that:
 - a) such power shall be limited to the allotment of equity securities, in connection with a rights issue, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or otherwise in any territory; and for the purposes of this resolution "rights issue" means an offer of equity securities to holders of ordinary shares in proportion to their respective holdings (as nearly as may be);
 - b) such power shall be limited to the allotment (otherwise than pursuant to paragraph (a) above) of equity securities amounting to a nominal value of £102,675.70;
 - c) such power shall expire at the conclusion of the next Annual General Meeting of the Company unless previously varied, revoked or renewed by the Company in General Meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired; and
 - d) all prior powers granted under section 95 of the Act be revoked provided that such revocation shall not have retrospective effect.
- 6 To consider, and if appropriate, vote on any other matter of which separate and lawful notice is given.

If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

Shareholders whose names are in the register of members at the close of business on Wednesday 17 September 2003 will be entitled to attend and vote.

A form of proxy, which may be sent by mail or by facsimile transfer to 01483 772087, must be received at the Company's registered office by 3.00 pm on Tuesday 28 October 2003.

By Order of the Board

John Watkins
Director and Company Secretary

Registered Office:

123 Goldsworth Road
Woking, Surrey GU21 1LR

29 September 2003

Web Sharesop (Holdings) plc

Form of Proxy for use at an Annual General Meeting

I, _____

of _____

a Member of **Web Sharesop (Holdings) plc** (hereinafter referred to as 'the Company') and entitled to vote, hereby appoint the Chairman, or

of _____

as my proxy to attend and vote for me and on my behalf at the second Annual General Meeting of the Company to held on 30 October 2003 at 3.00 pm and at any adjournment thereof.

(Please indicate below how you wish your votes to be cast. If the form of proxy is returned without any indication as to how the proxy should vote on any particular matter, the proxy will vote as they think fit.)

Resolution number	ORDINARY BUSINESS	<i>Please delete as appropriate</i>
1	To receive the report of the Directors and the audited financial statements of the Company for the year ended 31 July 2003 and to consider the recommendation of the Directors that no dividend be declared in respect of the year.	For / Against
2	To re-appoint John Watkins retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.	For / Against
3	To appoint Grant Thornton as auditors of the Company in place of Nexia Audit Limited, the retiring auditors, to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.	For / Against

SPECIAL BUSINESS

4	To empower the directors to allot relevant securities pursuant to section 80 of the Companies Act 1985 up to a maximum aggregate nominal amount of £488,280.	For / Against
5	To dis-apply the pre-emption rights contained in section 89(1) of the Companies Act 1985.	For / Against

Signature:	
Date:	
Full name:	

Note: To be valid, this form must be completed and sent to the Company Secretary either (i) by post to the Company's registered office or (ii) by facsimile transmission to 01483 772087. In both cases, this form must be received by 3.00 pm on Tuesday 28 October 2003.

Company information

Directors	R Bruce Rowan - Chairman John Watkins, FCA
Secretary, registered office and business address	John Watkins, FCA 123 Goldsworth Road Woking Surrey GU21 1LR email@webshareshop.com
Registered number	3981468
Nominated advisor	Grant Thornton Manor Court Barnes Wallis Road Segensworth Fareham Hampshire, PO15 5GT
Nominated broker	Keith Bayley Rogers & Co Limited Sophia House 76-80 City Road London EC1Y 2EQ
Auditors	Nexia Audit Limited No 1 Bishops Wharf Walnut Tree Close Guildford Surrey, GU1 4RA
Solicitors	Ronaldsons 55 Gower Street London WC1E 6HQ
Bankers	Leopold Joseph & Sons Limited 99 Gresham Street London EC2V 7NG
Registrars	Northern Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA Telephone 0870 162 3131
Share price information	Financial Times Evening Standard www.prices.londonstockexchange.com
Company announcements	www.webshareshop.com www.londonstockexchange.com/rns/announcement.asp
Expected financial timetable	Interim announcement for six months to 31 January 2004 By 26 February 2004 Final result announcement for year to 31 July 2004 By 21 September 2004 2004 annual general meeting By 29 October 2004

WEB SHARES SHOP

(HOLDINGS) PLC



*REPORT & FINANCIAL STATEMENT
FOR YEAR ENDING 31 JULY 2003*