

CHAIRMAN'S STATEMENT

The Board is pleased to announce the Group's results for the six months ended 30 June 2004.

Turnover for the period was £1.745 million (*2003 - £1.719 million*), all of which was in respect of continuing operations (*2003 - £1.634 million*). The operating loss was £243,000 (*2003 - £8,000*). The retained loss was £131,000 (*2003 - £5,000*).

As the Group announced on 4 February 2004 the old established business of Aegis Financial Services was acquired during the period. This has involved the establishment of a new office in Reading, the costs of which, amounting to more than £200,000, have been written off in the period. Whilst the performance of this business has been below expectations, it is the Group's strategy to increase its presence in the M4 corridor by actively recruiting additional business producers in both the employee benefits and general insurance sectors to take advantage of the Group's existing financial, administrative and compliance infrastructure.

In addition further development expenditure in excess of £100,000 has been written off in the period in respect of Bizcover, the Group's on-line small business insurance offering. The Board feels that the return from this distribution channel in the short term does not warrant the continuation of this level of development expenditure. Accordingly the development expenditure is now being brought more into line with the short term revenues produced from this channel. Softening rates in the general commercial insurance market have also adversely affected the performance of the insurance broking business in the first half of the year as compared to the similar period of 2003. Rates are now between 5% and 15% lower than a year ago.

PROSPECTS

The Group produces significant volumes of highly profitable insurance premium for insurers and it is crucial to the development of the Group's business that it receives proper remuneration for the performance of its activities. With this in mind the Group is reviewing its arrangements for placing business so as to limit the costs of its computer operating systems and to maximise its profit sharing arrangements with insurers. It is anticipated that this review will be completed during the final quarter of 2004.

Impending regulation of the insurance broking industry by the Financial Services Authority continues to absorb considerable management time and resource and requires further retained cash resources in the regulated company, however the benefits of a full review of the business's systems and processes are expected to be seen in 2005.

The Board believes that the Group's future lies in the provision of insurance services (namely insurance and employee benefits, advice and products) to corporate customers. The future of the business of providing independent financial advice to individuals is under review in part because of the increasingly hostile regulatory environment.

The production team of the insurance broking business has been significantly strengthened and we are seeking to add further business producers. The full benefits of this have not been seen in the current year to set off the additional cost, although considerable progress has been made.

The Board believes that the steps taken and planned should improve the level of business transacted and the Group's profitability in 2005.

RMH READ

Chairman

30 September 2004

Culver Holdings plc
Unaudited results
For the six months ended 30 June 2004

Consolidated Profit and Loss Account	Notes	Unaudited 30 June 2004 £'000	Unaudited 30 June 2003 £'000	Audited 31 December 2003 £'000
Turnover	2			
Existing operations		1,636	1,454	2,710
Acquisitions		109	180	358
Continuing operations		1,745	1,634	3,068
Discontinued		-	85	228
		1,745	1,719	3,296
Cost of sales				
Continuing operations including acquisitions		(559)	(441)	(879)
Discontinued		-	(88)	136
		(559)	(529)	(1,015)
Gross Profit				
Continuing operations including acquisitions		1,186	1,193	2,189
Discontinued		-	(3)	92
		1,186	1,190	2,281
Administrative expenses				
Continuing operations including acquisitions		(1,429)	(1,151)	(2,114)
Discontinued		-	(47)	(262)
		(1,429)	(1,198)	(2,376)
Operating loss	3			
Continuing operations including acquisitions		(243)	42	75
Discontinued		-	(50)	(170)
		(243)	(8)	(95)
Profit on sale of fixed assets - continuing		2	10	12
Gain arising on termination of subsidiaries- discontinued	4	148	-	82
Amounts written off investments		-	-	(350)
Profit/(loss) before interest and taxation		(93)	2	(351)
Interest receivable and similar income		11	14	27
Interest payable and similar charges		(49)	(20)	(60)
Loss before taxation		(131)	(4)	(384)
Taxation		-	(1)	(1)
Loss after taxation and retained loss		(131)	(5)	(385)
Basic and diluted loss per share (pence)	5	(1.14)	(0.04)	(3.38)
Shares in issue (millions)		11.44	11.44	11.44
Shares used for eps (millions)		11.44	11.39	11.39

There were no recognised gains or losses for the year other than those included in the profit and loss account.

Culver Holdings plc
Unaudited results
For the six months ended 30 June 2004

Consolidated Balance Sheet	Notes	Unaudited 30 June 04 £'000	Unaudited 30 June 03 £'000	Audited 31 December 03 £'000
Fixed Assets				
Goodwill	6	2,878	2,203	2,115
Tangible assets		66	180	119
Investments		7	106	7
		2,951	2,489	2,241
Current Assets				
Stocks		-	1	-
Debtors		1,753	2,805	2,028
Cash at bank and in hand		436	518	581
		2,189	3,324	2,609
Creditors: amounts falling due within one year		(3,376)	(3,828)	(3,625)
Net current liabilities		(1,187)	(504)	(1,016)
Total assets less current liabilities		1,764	1,985	1,225
Creditors: amounts falling due after more than one year		(1,079)	(690)	(729)
Provisions for liabilities and charges	6	(836)	(934)	(515)
Net assets		(151)	361	(19)
Capital and reserves				
Called up share capital		2,859	2,859	2,859
Share premium		4,403	4,403	4,403
Profit and loss account		(7,413)	(6,901)	(7,281)
		(151)	361	(19)

Culver Holdings plc
Unaudited results
For the six months ended 30 June 2004

Consolidated Cash Flow Statement	Unaudited 30 June 04 £'000	Unaudited 30 June 03 £'000	Audited 31 December 03 £'000
Net cash outflow from continuing operations	(86)	(108)	(132)
Returns on investments and servicing of finance			
Interest received	11	14	27
Interest paid	(49)	(20)	(50)
Net cash flow from returns on investments and servicing of finance	(38)	(6)	(23)
Taxation	-	-	(1)
Capital expenditure and financial investments			
Purchase of tangible fixed assets	(8)	(21)	(22)
Sale of tangible fixed assets	30	33	40
Purchase of intangible fixed assets	-	-	(667)
Purchase of Investments	-	1	-
Net cash inflow/(outflow) from capital expenditure and financial investments	22	13	(649)
Acquisitions and disposals	(33)	(660)	-
Net cash (outflow)/inflow before financing	(135)	(761)	(805)
Financing			
Issue of shares	-	25	25
Loans:			
Debt due within one year	(16)	-	(95)
Debt due after one year	(23)	616	828
Capital element of hire purchase	(50)	-	(89)
Net cash inflow/(outflow) from financing	(89)	641	669
(Decrease) in cash in period	(224)	(120)	(136)
Represented by:-			
(Decrease)/increase in insurance broking balances	(112)	(157)	(18)
Increase in other balances	(112)	37	(118)
	(224)	(120)	(136)

Culver Holdings plc
Unaudited results

For the six months ended 30 June 2004

Notes to the Financial Statements

1. Basis of preparation

The results for the six months ended 30 June 2004 have neither been audited nor reviewed and have been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 31 December 2003. The comparatives for the year ended 31 December 2003 have been extracted from the audited consolidated financial statements, which have been filed with the Registrar of Companies, and include an unqualified audit report. The comparatives included in this report do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

	Unaudited 30 June 2004 £'000	Unaudited 30 June 2003 £'000	Audited 31 December 2003 £'000
2. Analysis of turnover			
Continuing including acquisitions:-			
Insurance	1,745	1,565	3,068
Discontinued:			
Technology	-	154	228
	<hr/> 1,745	<hr/> 1,719	<hr/> 3,296

The Group's turnover was primarily generated in the United Kingdom.

	Unaudited 30 June 2004 £'000	Unaudited 30 June 2003 £'000	Audited 31 December 2003 £'000
3. Analysis of operating profit/(loss)			
Continuing including acquisitions:-			
Insurance	(32)	340	494
Unallocated central costs	(211)	(260)	(419)
Discontinued:			
Technology	-	(88)	(170)
	<hr/> (243)	<hr/> (8)	<hr/> (95)

4. Gain on sale or termination of subsidiaries

The profit arises on the deconsolidation of a subsidiary which was been liquidated during the period.

5. Loss per share

The loss per share has been calculated on a weighted average of 11,437,894 (2003:11,388,450) ordinary shares in issue during the period based on a loss of £131,000 (2003:£5,000).

6. Acquisition

In February 2004 the Group acquired the entire share capital of Aegis Mortgages Limited ("Aegis"). Prior to its acquisition, Aegis had agreed to buy the business of Aegis Financial Services Limited for a sum dependent on the commission it receives over the five years following completion. No consideration was paid in the six months ended 30 June 2004. The maximum possible consideration of £746,000 that may be paid over the five year period has been included in Goodwill, the sum estimated to be paid in the year to 30 June 2005 has been included in creditors and the balance of £575,000 has been included in Provisions.

	Unaudited 30 June 2004 £'000	Unaudited 30 June 2003 £'000	Audited 31 December 2003 £'000
7. Reconciliation of operating loss to net cashflow from operating activities			
Operating loss/(profit)	(243)	(8)	(95)
Depreciation charge	33	67	133
Amortisation of goodwill	101	81	177
Payments to pensions mis-selling creditors	(240)	-	(466)
Receipts from PI insurers re pensions mis-selling	162	-	248
(Increase)/decrease in debtors	121	(1,189)	(642)
Increase/(decrease) in creditors	(20)	941	513
Net cash (outflow)/inflow from operating activities	(86)	(108)	(132)
8. Reconciliation of net cashflow to movement in net (debt)/funds			
(Decrease)/increase in cash in period	(224)	(120)	(136)
Cash (outflow)/inflow from movement in debt and leasing	89	(670)	(644)
Change in net debt resulting from cash flows	(135)	(790)	(780)
New Hire Purchase agreements	-	55	(9)
New Loan Stock	(386)		
Movement in net (debt)/funds in the period	(521)	(735)	(789)
Net funds/(debt) at the start of the period	(450)	339	339
Net (debt)/funds at the end of the period	(971)	(396)	(450)