

CHAIRMAN'S STATEMENT

The Board is pleased to announce the Group's results for the year ended 31 December 2002.

TRADING SUMMARY

Turnover for continuing operations was £2.820 million (*2001 - £2.271 million*). The operating profit was £45,000 (*2001 - loss £1.982 million*) (before goodwill amortisation principally attributable to the Insurance division of £348,000) (*2001 - £233,000*), and the retained loss was £12,000 (*2001 - £3.751 million*).

The business of the Group was until disposal of Wire 2 Limited in November 2002 operated through three divisions: Technology, Media, and Insurance. The Group's business is now operated through the Technology and Insurance divisions.

TECHNOLOGY

(Continuing business - turnover £0.133 million, operating loss £251,000)

The Group's technology business, which trades as Wanbase, reported losses for the financial year to 31 December 2002. These are largely attributable to research and development into the emerging technologies of virtual private networking and delivery of voice and data over internet protocol.

Wanbase has formed a number of strategic partnerships with leading manufacturers in this exciting new business area and has successfully delivered a number of solutions in the small to medium sized enterprise sector which is its target market.

Management is tightly focussed on delivery of its business plan and the Group's investment in the business is being closely monitored. However, the Board do believe that provided sufficient sales growth can be achieved, this business provides the Group with excellent prospects for the future.

MEDIA - DISCONTINUED

(Turnover £1.178 million, operating profit £30,000)

As the Group announced on 19 November 2002, it has disposed of 100% of the share capital of Wire 2 Limited, its news aggregation and distribution business. As stated in the announcement, the disposal improved the Group's liquidity and enabled management to focus on its insurance and technology businesses.

INSURANCE

(Turnover £2.687 million, operating profit £171,000 (after goodwill amortisation of £346,000))

The strong performances of the insurance broking and IFA businesses were maintained for the financial year to 31 December 2002 and the Board is pleased with the result for the year.

As the Group announced on 3 February 2003, Culver Insurance Brokers acquired a portfolio of commercial insurance business from Budget Group, in line with the Group's strategy to concentrate on its insurance and technology businesses.

The enlarged businesses are trading in line with the Directors' expectations and the Board is optimistic that another satisfactory result will be produced for the current year.

The Board continues to explore ways of both expanding its insurance interests and offering additional services to its existing clients in related areas.

INVESTMENT IMPAIRMENT

The Group's remaining investment of 13,785,403 ordinary shares in World Travel Holdings plc ("WTH") being 4.22 % of WTH's issued share capital as at 31 December 2002 has been written down by a further £258,476 to £1 to reflect market conditions.

PROSPECTS

The Group's insurance business has developed well during the year to 31 December 2002 and during the first quarter of 2003. The Group is committed to growing this business organically and by appropriate acquisition.

The IFA business has had a difficult start to 2003 as a result of the collapse in equity markets which has been well documented, but the Group has no reason to believe that the business will fail to meet its business plan for the year. The business is currently expanding through the recruitment of high quality personnel.

The Board is satisfied that the technology business is operating in a market place which has significant potential. The development of the provision of voice and data services over internet protocol is gathering pace and Wanbase is at the forefront of this technology and has developed invaluable experience of delivering leading edge solutions in the real commercial world. Additional sales staff are also being recruited and the Board believes that the business's momentum will increase during 2003. The Board believes that the company's sales targets are ambitious but realistic and the first quarter of the year has already proved to be satisfactory.

As I said in my interim statement, the Board anticipated toughening conditions, which do appear to have materialised since then. However, the Group's businesses have continued to improve and to grow, although in the IFA and technology markets in particular that growth has not been as rapid as might have been hoped. Nonetheless, in the absence of further global economic and other turmoil, we believe that our businesses are well placed for future continued success.

It only remains for me to thank everyone in the Group for all the hard work they have put in during the last year. The excellent results of the insurance broking division are evidence of this. I hope that in the current year the efforts of the technology division will be equally rewarded.

R M H Read

Chairman

30 April 2003

Culver Holdings plc**Preliminary unaudited results
for the year ended
31 December 2002****Consolidated****Profit and Loss Account****Notes****2002****2001****£'000****£'000****Turnover****3**

Continuing operations

2,820

2,271

Discontinued

1,2152,076

4,035

4,347

Cost of sales

Continuing operations

(1,246)

(1,096)

Discontinued

(534)(1,754)

(1,780)

(2,850)

Gross Profit

Continuing operations

1,574

1,175

Discontinued

681322

2,255

1,497

Administration expenses

Continuing operations

(2,007)

(2,460)

Discontinued

(551)(1,252)

(2,558)

(3,712)

Operating loss**4**

Continuing operations

(433)

(1,285)

Discontinued

130(930)

(303)

(2,215)

Profit on sale of fixed assets

23

15

Gain/(Loss) on sale and termination of subsidiaries **6**

766

(244)

Amounts written off investments	5	(458)	(1,306)
Interest receivable and similar income		12	50
Interest payable and similar charges		<u>(49)</u>	<u>(47)</u>
Loss before taxation		(9)	(3,747)
Taxation	7	<u>(3)</u>	<u>(4)</u>
Loss after taxation and retained loss		<u>(12)</u>	<u>(3,751)</u>
Basic Loss per share (pence)	8	<u>(0.11)</u>	<u>(32.11)</u>
Shares in issue (millions)		11.34	11.23
Shares used in calculating eps (millions)		<u>11.27</u>	<u>11.68</u>
Statement of Recognised Gains and Losses		2002	2001
for the year ended 31 December 2002		£'000	£'000
Retained Loss		(12)	(3,751)
Other recognised gains			
Arising on release of escrow account		-	<u>325</u>
Total Recognised Gains and Losses		<u>(12)</u>	<u>(3,426)</u>

Culver Holdings plc
Preliminary unaudited results
for the year ended 31 December 2002

Consolidated		
Balance Sheet	2002	2001
	£'000	£'000
Fixed Assets		
Goodwill	1,625	3,166
Tangible assets	250	491
Investments	<u>107</u>	<u>625</u>
	<u>1,982</u>	<u>4,282</u>
Current Assets		
Debtors	1,616	2,158
Cash at bank and in hand	<u>624</u>	<u>485</u>
	2,240	2,643
Creditors: amounts falling due within one year	<u>(2,559)</u>	<u>(4,894)</u>
Net current liabilities	<u>(319)</u>	<u>(2,251)</u>
Total assets less current liabilities	1,663	2,031
Creditors: amounts falling due after more than one year	(180)	(1,033)
Provisions for liabilities and charges	<u>(1,142)</u>	<u>(700)</u>
Net assets	<u>341</u>	<u>298</u>

Capital and reserves

Called up share capital	2,834	2,807
Share premium	4,403	4,375
Profit and loss account	<u>(6,896)</u>	<u>(6,884)</u>
	<u>341</u>	<u>298</u>

Culver Holdings plc
Preliminary unaudited results
for the year ended 31 December
2002

Consolidated Cash Flow Statement	Notes	2002	2001
		£'000	£'000
Net cash inflow/(outflow) from operating activities	10	<u>(442)</u>	<u>(837)</u>
 Returns on investments and servicing of finance			
Interest received		12	50
Interest paid		<u>(49)</u>	<u>(47)</u>
Net cash flow from returns on investments and servicing of finance		<u>(37)</u>	<u>3</u>
 Capital expenditure and financial investments			
Purchase of tangible fixed assets		(13)	(295)
Sale of tangible fixed assets		123	238
Receipt on sale of subsidiary		500	-
Sale of investments		667	-
Purchase of investments		<u>(8)</u>	<u>(33)</u>
Net cash inflow/(outflow) from capital expenditure and financial investments		<u>1,269</u>	<u>(90)</u>
Acquisitions and disposals		<u>1</u>	-
Net cash inflow/(outflow) before financing		<u>791</u>	<u>(924)</u>

Financing		
Issue of shares	55	-
Loan received	127	450
Repayment of loans	(513)	(54)
Capital element of hire purchase	<u>(225)</u>	<u>(89)</u>
Net cash (outflow)/inflow from financing	<u>(556)</u>	<u>307</u>
Increase/(decrease) in cash in period	<u>235</u>	<u>(617)</u>
Represented by:-		
Increase in insurance broking balances	69	183
Increase/(decrease) in other balances	<u>166</u>	<u>(800)</u>
	<u>235</u>	<u>(617)</u>
Reconciliation of net cash flow to movement in net debt		
Increase/(decrease) in cash in period	235	(617)
Cash inflow/(outflow) from movement in debt and lease financing	<u>611</u>	<u>(307)</u>
Change in net debt resulting from cash flows	846	(924)
New Hire Purchase agreements	(86)	-
Hire purchase contracts disposed of with subsidiaries	<u>32</u>	-
Movement in net funds/(debt) in the period	792	(924)
Net (debt)/funds at the start of the period	<u>(453)</u>	<u>471</u>
Net funds/(debt) at the end of the period	11	<u>339</u>

- Culver Holdings plc
Preliminary unaudited results
For the year ended 31 December 2002.

Notes to the Financial Statements

1. Fundamental accounting concept - going concern

During the year the Group repaid the bank loan and overdraft outstanding at 31 December 2001 and agreed new banking facilities at a reduced level. This was achieved by a combination of tighter cash management control and the disposal of Wire2 Limited, a loss making subsidiary company.

Whilst seeking to minimise the losses being incurred within the technology division during its early stages of development and further improve the profitability of the insurance division, the directors continue to make great efforts to work within the bank facilities that are available to the Group. They anticipate that this will be achievable if the current business plans are met.

The Group has a wholly owned subsidiary undertaking which acts as an independent financial adviser regulated by the Financial Services Authority. None of the directors of the parent undertaking is a director of this subsidiary undertaking, all of whose directors are authorised persons in terms of the Financial Services and Markets Act.

When under management which has now been replaced, the subsidiary undertaking, incurred liabilities in respect of pension mis-selling now estimated to be £718,000 (2001: £700,000) which have been provided for in these financial statements. Some £414,000 (2001: £330,000) of these liabilities is covered by insurance which the subsidiary undertaking holds.

The parent is not liable for the pension mis-selling liabilities of the subsidiary undertaking. The subsidiary has, during the year, arranged external finance, which its directors consider will be sufficient to enable it to meet these liabilities.

Whilst the directors consider that the provision in the accounts for pension mis-selling liabilities is a reasonable estimate of the ultimate cost, given the assumptions that have been made, there remain a number of areas of uncertainty which may result in the ultimate cost being different.

In view of the significance of these uncertainties, it is anticipated that they will be drawn to shareholders' attention by the auditors in their report but their opinion is not expected to be qualified in this respect.

2. Basis of preparation

The financial information has been prepared on the basis of the accounting policies as set out in the group's statutory accounts for the year ended 31 December 2001, with the exception of the introduction of FRS 19 in respect of Deferred Taxation but this has no impact on the financial statements.

3. Analysis of turnover

	2002	2001
	£'000	£'000
Insurance	2,687	2,249

Insurance-discontinued	19	20
Finance-discontinued	17	9
Media-discontinued	1,178	1,247
Technology	133	22
Technology-discontinued	<u>1</u>	<u>800</u>
	<u>4,035</u>	<u>4,347</u>
	2002	2001
	£'000	£'000

4. Analysis of operating loss

Insurance	171	(245)
Insurance-discontinued	(2)	(5)
Finance-discontinued	93	16
Media-discontinued	30	(418)
Technology	(251)	(81)
Technology-discontinued	9	(523)
Central costs	<u>(353)</u>	<u>(959)</u>
	<u>(303)</u>	<u>(2,215)</u>

5. In 2002 provisions of £258,476 and £200,000 respectively have been made against the shares and loan notes of World Travel Holdings plc. This is considered appropriate as World Travel Holdings plc continues to incur substantial losses and has net current liabilities.

In 2001 the investment held in the shares of World Travel Holdings plc and the Loan Notes in Aerotech Europe Limited held by the Group were written down to reflect market conditions based on a transaction completed in 2002. A loss also arose in 2001 because the escrow account to acquire the shares of Aerotech Systems Inc expired on 8 December 2001 under the terms of the agreement between the parties.

6. The profit in 2002 arises on the deconsolidation of a number of dormant subsidiaries where application has been made to Companies House in accordance with section 652A of the Companies Act 1985 to have those companies struck off and in one case where the subsidiary was liquidated.

In addition this included the profit arising on the sale of Wire2 Limited on 15 November 2002. The loss in 2001 arises on the sale of Aerotech Europe Limited and the sale of the business of Carnell Systems Limited to World Travel Holdings plc.

7. Provision for taxation has been made assuming current rates of Corporation Tax based upon the estimated rate of taxation for the year. No deferred taxation asset has been recognised in respect of tax losses brought forward.

8. The loss per share has been calculated on a weighted average of 11,274,735 (2001: 11,680,546) ordinary shares in issue during the year based on a loss of £12,000 (2001: 3,751,000).

9. The 2001 results include an unrealised profit of £74,000 arising from the receipt of World Travel Holdings plc shares in the unwinding of the escrow account.

10. Reconciliation of operating loss to net cash flow from operating activities

	2002	2001
	£'000	£'000
Operating loss	(303)	(2,215)
Depreciation charge	240	361
Amortisation of goodwill	353	233
Profit on sale fixed assets	23	-
Decrease/(Increase) in debtors	245	(442)
(Decrease)/Increase in creditors	<u>(1,000)</u>	<u>1,226</u>
Net cash outflow from operating activities	<u>(442)</u>	<u>(837)</u>

At
beginning **At end of**
of year **Cash flow year**
£'000 **£'000** **£'000**

11. Analysis of debt

Cash in hand, at bank			
Insurance broking	482	69	551
Other	3	70	73
Overdrafts	<u>(102)</u>	<u>96</u>	<u>(6)</u>
	<u>383</u>	<u>235</u>	<u>618</u>
Debt due within one year	(511)	498	(13)
Debt after one year	-	(113)	(113)
Hire purchase	<u>(325)</u>	<u>172</u>	<u>(153)</u>
	<u>(836)</u>	<u>557</u>	<u>(279)</u>
Total	<u>(453)</u>	<u>792</u>	<u>339</u>

12. The comparative figures for the financial year ended 31 December 2001 are extracted from the Company's statutory accounts. Those accounts have been reported on by the Company's previous auditors and delivered to the Registrar of Companies. The report of

the auditors was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

13. The financial information contained in this statement does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.