

FOR IMMEDIATE RELEASE

13 NOVEMBER 2002

**ARC RISK MANAGEMENT GROUP PLC  
(AIM)  
Business: Security and Risk Management Consultants**

**INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2002**

**CHAIRMAN'S STATEMENT**

**Introduction**

I am pleased to enclose the first report to shareholders following the acquisition of ARC Risk Management Limited ("ARC"), which was completed on 29<sup>th</sup> July 2002.

**Results and Dividend**

The operating losses for the 6 months to 30 September 2002 amounted to £194,000 (6 months to December 2001: (£326,000); 6 months to June 2001 (£641,000)). Thus, after a modest credit for net interest receivable, a loss for the 6 months to 30 September 2002 of £189,000 (6 months to December 2001: (£324,000); 6 months to June 2001: (£641,000)) has been incurred. The loss per share is 0.33p (December 2001: (0.94p); June 2001: (1.86p)) and no dividend is recommended.

**Current and Future prospects**

Since the completion of the acquisition of ARC on 29<sup>th</sup> July that company has continued to develop its products and services.

ARC recently exhibited its **red24** product at the CIPD (Chartered Institute of Personnel and Development) Annual Conference & Exhibition to draw to the attention of the Human Resources sector this unique and innovative service that assesses, anticipates, and responds to any security risks posed to its clients. Through its team of experienced security analysts and experts, red24 provides up-to-the-minute information and advice on the political, security and travel situations around the world, so that clients can get in contact whenever they feel their safety might be in jeopardy. This information is available at a low cost from anywhere in the world 24 hours a day, 365 days a year by phone, fax, email or through the web. Administered by HSBC Select, red24's services are available to anyone, including a more advanced package available to high net-worth individuals and professionals travelling abroad on corporate business, which includes access to a repatriation fund and a dedicated security expert to provide on-the-spot assistance in the unfortunate event that it is required. [indication of its current trading/sales, prospects and intentions with the product]

ARC's security training business has had a highly successful half-year, with sales of training courses running ahead of budget. We are delighted to welcome Peter Horsburgh who has joined the Company as Senior Security Management Trainer. Peter, an expert in corporate security, has been a key figure in American Society of Industrial Security (ASIS) in Europe and Africa. He brings with him over 20 years experience in training delegates in security management, and will be acting as course director for ARC's internationally recognised range of security management courses. We are confident that this appointment will lead to other blue chip organisations utilising ARC for their security training needs.

One area of activity that has, to date, proved a disappointment has been the level of work carried out for insurance underwriters. Recent changes in the market place have resulted in a reduction in the number of the specialist underwriters and changes to the service providers used by those underwriters. Consequently, although ARC is well placed to expand its service provision in these areas, this is not happening as quickly as the Board had anticipated.

At the time of Admission to AIM, stock market conditions were most unfavourable to fund raising for businesses that were not already cash positive and your company was only able to raise the absolute minimum amount of funds sought. Your Board continues to seek further sources of finance in order to enable it to exploit the opportunities open to it. The Board remains confident about the prospects of ARC and its product offering and I look forward to reporting to shareholders again in the near future about our progress.

**Simon Richards, Chairman**  
**13 November 2002**

**ARC RISK MANAGEMENT GROUP PLC**  
**CONSOLIDATED PROFIT & LOSS ACCOUNT**  
**FOR THE 6 MONTHS TO 30 SEPTEMBER 2002**

	6 months ended <b>30 September 2002</b> £'000 (unaudited)	6 months ended <b>31 December 2001</b> £'000 (unaudited)	6 months ended <b>30 June 2001</b> £'000 (unaudited)	15 months ended <b>31 March 2002</b> £'000 (audited)
Turnover				
Acquisitions	118	0	0	0
Continuing operations	14			
Discontinued operations	0	293	869	1167
	<u>132</u>	<u>293</u>	<u>869</u>	<u>1167</u>
Operating (loss)				
Acquisitions	(57)			0
Continuing operations	(137)	(144)	0	(134)
Discontinued operations	0	(98)	(291)	(425)
	(194)	(242)	(291)	(559)
Net interest receivable	5	2	0	7
Loss on disposal of discontinued operations	0	(84)	(350)	(442)
Loss on ordinary activities before taxation	(189)	(324)	(641)	(994)
Taxation on loss on ordinary activities	0			
Loss for the period	(189)	(324)	(641)	(994)
Dividends	0			
Retained loss for the period	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Loss per share	<u>(0.33p)</u>	<u>(0.94p)</u>	<u>(1.86p)</u>	<u>(2.89p)</u>

**ARC RISK MANAGEMENT GROUP PLC**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2002**

	30 September 2002	31 December 2001	30 June 2001	31 March 2002
	£'000	£'000	£'000	£'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Fixed Assets				
Intangible assets	1000	0	0	0
Tangible assets	31	1	1133	1
	<u>1031</u>	<u>1</u>	<u>1133</u>	<u>1</u>
Current Assets				
Stocks	0	0	26	0
Debtors	354	75	154	60
Cash at bank and in hand	173	564	42	526
	<u>527</u>	<u>639</u>	<u>222</u>	<u>586</u>
Creditors: Amounts falling due within one year	466	90	460	66
	<u>466</u>	<u>90</u>	<u>460</u>	<u>66</u>
Net Current Assets/(Liabilities)	61	549	-238	520
Total Assets less Current Liabilities	<u>1092</u>	<u>550</u>	<u>895</u>	<u>521</u>
Creditors: Amounts falling due after more than one year	86	0	21	0
	<u>1006</u>	<u>550</u>	<u>874</u>	<u>521</u>
Capital and Reserves				
Called up share capital	2413	1720	1720	1720
Share premium account	189	208	208	208
Profit and loss account	-1596	-1378	-1054	-1,407
Shareholders' Funds - Equity	<u>1006</u>	<u>550</u>	<u>874</u>	<u>521</u>

**Notes:**

1. The interim financial statements for the six months ended 30 September 2002 have been prepared using accounting policies consistent with those set out in the annual report and accounts of Perthshire Leisure plc (now called ARC Risk Management Group plc) for the year ended 31 March 2002. The interim financial information for the six months ended 30 September 2002 is unaudited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.
2. The loss per share for the six months ended 30 September 2002 has been calculated based on the loss on ordinary activities after taxation divided by the weighted average number of shares in issue during the period.
3. Copies of this statement of Interim Results will be available for at least one month from Seymour Pierce Limited, 29/30 Cornhill, London EC3V 3NF.

**ENDS**

**Enquiries:**

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