

SOUTH ESSEX INSURANCE GROUP LIMITED
(Formerly South Essex Insurance Brokers Group Limited)

COMPANY NO. 779100

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1993



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SOUTH ESSEX INSURANCE GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1993

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SOUTH ESSEX INSURANCE GROUP LIMITED
REPORT OF THE DIRECTOR

The Director presents his annual report and the audited financial statements for the year ended 31st December 1993.

Director

B.W. Fehler

Business Review

On 25th March 1994, the Company changed its name to South Essex Insurance Group Limited. The companies within the South Essex Insurance Brokers Group carry on business as Insurance Brokers, Mortgage and Finance Consultants, and Travel Agents. During the year, a new Company, South Essex Equestrian Services was set up to provide equestrian schooling. The Director considers that the results of the Group are satisfactory in light of the prevailing economic climate.

Results and Dividend

The results of the Group for the year are set out on page three. The Directors recommend that a final dividend of £25 per share be paid for the year under review.

It is recommended that the whole of the retained profit be set aside to reserves.

Fixed Assets

During the year the Group acquired additional office premises to facilitate its expansion programme and also acquired premises for the equestrian school.

Director

The interest of the Director in the share capital was as follows:

At 1.1.1993 and
at 31.12.1993

B.W. Fehler

1,000

Auditors

Kirgston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed Auditors for the ensuing year.

BY ORDER OF THE BOARD


B.W. FEHLER
Director

South Essex House,
North Road,
South Ockendon,
Essex.

28th June 1994

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SOUTH ESSEX INSURANCE GROUP LIMITED
DIRECTOR'S RESPONSIBILITIES AND REPORT OF THE AUDITORS
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the Director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Profit or Loss of the Company for that period.

In preparing those financial statements, the Director is required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS' REPORT TO THE MEMBERS OF
SOUTH ESSEX INSURANCE GROUP LIMITED

We have audited the financial statements on pages three to sixteen which have been prepared under the historical cost convention and the accounting policies set out on page eight.

Respective Responsibilities of Director and Auditors

As described above, the Company's Director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

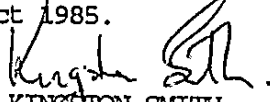
Basis of Opinion

We conducted our audit in accordance with 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 Director 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 affairs of the Company and of the Group as at 31st December 1993 and of the Group's Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KINGSTON SMITH
Chartered Accountants
and Registered Auditors

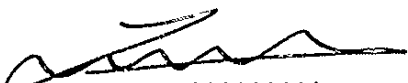
Devonshire House,
146 Bishopsgate,
London EC2M 4JX.
28th June 1994

SOUTH ESSEX INSURANCE GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1993

	<u>Note</u>	<u>1993</u>	<u>1992</u>
<u>TURNOVER</u>	2	658,193	1,246,355
Cost of Sales		(632,027)	(1,151,459)
<u>GROSS PROFIT</u>		26,166	94,896
Commission Received	1(f)	2,247,068	1,779,496
Administrative Expenses		(1,817,590)	(1,455,298)
Other Operating Charges		(209,824)	(202,652)
Interest Receivable and Similar Income		17,361	30,907
Interest Payable and Similar Charges	4	(66,375)	(48,810)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	5	196,806	198,539
Taxation	6	70,545	72,376
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>	7	126,261	126,163
Dividends	8	25,000	-
<u>RETAINED PROFIT FOR THE FINANCIAL YEAR</u>		101,261	126,163
<u>RETAINED PROFIT BROUGHT FORWARD</u>		310,723	184,560
<u>RETAINED PROFIT CARRIED FORWARD</u>	16	£ 411,984	£ 310,723

SOUTH ESSEX INSURANCE GROUP LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1993

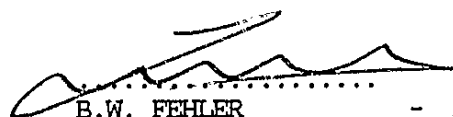
	<u>Note</u>	<u>1993</u>	<u>1992</u>
<u>FIXED ASSETS</u>			
Intangible Assets	9	179,670	195,293
Tangible Assets	10	892,048	779,887
		<u>1,071,718</u>	<u>975,180</u>
<u>CURRENT ASSETS</u>			
Stocks	12	1,252	-
Show Horses		63,725	37,900
Debtors	13	510,944	532,775
Cash at Bank and in Hand			
- Insurance Broking Account		202,011	403,242
- Office Account		62,796	10,299
		<u>840,728</u>	<u>984,216</u>
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE WITHIN ONE YEAR</u>	14	<u>1,039,313</u>	<u>1,187,816</u>
<u>NET CURRENT LIABILITIES</u>		<u>(198,585)</u>	<u>(203,600)</u>
<u>TOTAL ASSETS LESS CURRENT</u> <u>LIABILITIES</u>		<u>873,133</u>	<u>771,580</u>
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE AFTER MORE THAN ONE</u> <u>YEAR</u>	15	<u>460,149</u>	<u>459,857</u>
<u>NET ASSETS</u>		<u>£ 412,984</u>	<u>£311,723</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	16	1,000	1,000
Profit and Loss Account	16	411,984	310,723
		<u>£ 412,984</u>	<u>£311,723</u>


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B.W. FEHLER - DIRECTOR

The financial statements were approved by the Director
on 28th June 1994

SOUTH ESSEX INSURANCE GROUP LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1993

	<u>Note</u>	<u>1993</u>	<u>1992</u>
<u>FIXED ASSETS</u>			
Tangible Assets	10	98,324	188,979
Investments	11	504,000	256,000
		<u>602,324</u>	<u>444,979</u>
<u>CURRENT ASSETS</u>			
Debtors	13	24,255	57,109
Cash at Bank and in Hand		3,636	1,574
		<u>27,891</u>	<u>58,683</u>
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE WITHIN ONE YEAR</u>	14	<u>129,214</u>	<u>146,262</u>
<u>NET CURRENT LIABILITIES</u>		<u>(101,323)</u>	<u>(87,579)</u>
<u>TOTAL ASSETS LESS CURRENT</u> <u>LIABILITIES</u>		501,001	357,400
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE AFTER MORE THAN ONE</u> <u>YEAR</u>	15	<u>146,404</u>	<u>239,361</u>
<u>NET ASSETS</u>		<u>£354,597</u>	<u>£118,039</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	16	1,000	1,000
Profit and Loss Account	16	353,597	117,039
		<u>£354,597</u>	<u>£118,039</u>


B.W. FEHLER - DIRECTOR

The financial statements were approved by the Director
on 28th June 1994

SOUTH ESSEX INSURANCE GROUP LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1993

	<u>1993</u>	<u>1992</u>
<u>NET CASH INFLOW FROM OPERATING</u> <u>ACTIVITIES</u> (Note 1)	256,009	541,042
<u>RETURNS ON INVESTMENTS AND</u> <u>SERVICING OF FINANCE</u>		
Interest Received	17,361	30,907
Interest Paid	(66,375)	(48,810)
Dividends Paid	(25,000)	-
	<hr/>	<hr/>
<u>NET CASH OUTFLOW FROM RETURNS</u> <u>ON INVESTMENTS AND SERVICING</u> <u>OF FINANCE</u>	(74,014)	(17,903)
<u>TAXATION</u>		
Corporation Tax Paid (including Advance Corporation Tax)	(78,820)	(10,000)
<u>INVESTING ACTIVITIES</u>		
Purchase of Tangible Fixed Assets	(261,061)	(625,938)
Receipts from Sale of Tangible Fixed Assets	35,050	37,666
	<hr/>	<hr/>
<u>NET CASH OUTFLOW FROM INVESTING</u> <u>ACTIVITIES</u>	(226,011)	(588,272)
<u>DECREASE IN CASH EQUIVALENTS</u> (Note 2)	<u>£ (122,836)</u>	<u>£ (75,133)</u>

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1993

1.	<u>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	<u>1993</u>	<u>1992</u>	
	Operating Profit	245,820	216,442	
	Depreciation	143,067	115,784	
	Profit on Sale of Tangible Fixed Asset	(13,594)	(15,708)	
	(Increase)/Decrease in Stock	(1,252)	12,100	
	Increase in Debtors	(13,994)	(121,529)	
	(Decrease)/Increase in Creditors	(104,038)	333,953	
	<u>NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES</u>	<u>£ 256,009</u>	<u>£ 541,042</u>	
2.	<u>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR</u>			
	Balance at 1st January 1993	77,228	152,361	
	Net Cash Outflow	(122,836)	(75,133)	
	Balance at 31st December 1993	<u>£ (45,608)</u>	<u>£ 77,228</u>	
3.	<u>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET</u>			
		<u>1993</u>	<u>1992</u>	<u>Change in year</u>
	Cash at Bank and in Hand:			
	Insurance Broking Account	202,011	403,242	(201,231)
	Office Account	62,796	10,299	52,497
	Bank Loan	(310,415)	(336,313)	25,898
		<u>£ (45,608)</u>	<u>£ 77,228</u>	<u>£ (122,836)</u>

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993

1. ACCOUNTING POLICIES

(a) Accounting Basis and Standards

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

The Group acts as an agent in broking the insurable risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the Company's legal relationship with clients and underwriters and since in practice premiums and claim monies are usually accounted for by insurance intermediaries, it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the Company itself.

(b) Consolidation

The consolidated financial statements incorporate the financial statements of South Essex Insurance Group Limited and its Group Undertakings. The financial statements of all group undertakings are made up to 31st December annually.

A separate Profit and Loss Account dealing solely with the results of the Company has not been presented.

(c) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Freehold Property	- 1% per annum
Long Leasehold Property	- Period of Lease
Motor Vehicles	- 4 years
Furniture, Fittings and Equipment	- Between 5 and 10 years

(d) Stocks

Stocks are stated at the lower of cost and net realisable value.

(e) Deferred Taxation

Deferred Taxation is provided in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

(f) Commission

Commission, other than life commission, is credited to the Profit and Loss Account in accordance with the accounts agreed with insurance companies. Life commissions are credited to the Profit and Loss Account as they are received.

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

(g) Foreign Currencies

Assets held under foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the Profit and Loss Account.

(h) Goodwill

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net liabilities and is written off over its estimated economic life of 15 years.

(i) Leasing and Hire Purchase

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged in the Profit and Loss Account over the period of the lease.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(j) Pension Scheme Arrangements

Pension arrangements are being made for certain individuals employed by the Group. Such arrangements all relate to money purchase schemes (defined contributions) and may at the sole discretion of the Group to be discontinued at any time with no outgoing liability to the Group. Such contributions are held in trustee administered funds completely independent of the Group's finances. The contributions made by the Group are charged against profits on an accruals basis.

2. TURNOVER

Turnover represents the value of services provided where invoiced in full. Deposits received have been treated as deferred income. Commission represents commission receivable from insurance companies.

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

3. STAFF NUMBERS AND COSTS

1993

1992

The average number of persons employed by the Group (including Director) during the year was as follows:

Management	3	4
Administration	13	12
Clerical	49	39
Farm Staff and Grooms	4	-
Total Employees	<u>69</u>	<u>55</u>

The aggregate payroll costs of these persons were as follows:

Wages and Salaries	801,067	637,189
Social Security Costs	74,096	55,081
Pension Contributions	14,573	15,697
	<u>£889,736</u>	<u>£707,967</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

On Bank Loans and Overdrafts and Other Loans repayable:

within five years	26,615	16,114
after five years	30,188	21,908
Finance Lease and Hire Purchase Interest	9,572	10,788
	<u>£ 66,375</u>	<u>£ 48,810</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on Ordinary Activities before Taxation is stated after charging:

Auditors' Remuneration and Expenses	14,831	13,905
Director's Emoluments	65,509	70,752
Depreciation:		
Owned Tangible Fixed Assets	67,524	59,560
Assets held under Finance Leases	59,920	40,601
Amortisation of Goodwill	15,623	15,623
Operating Lease Charges	13,566	12,833

(b) Directors' Emoluments

Remuneration	59,100	61,450
Other Emoluments	6,409	9,302
	<u>£ 65,509</u>	<u>£ 70,752</u>

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

6. TAXATION

Taxation charge based on the results
for the year:

Corporation Tax based on the results for the year at the rate of 33% (1992 - 25%)	£ 70,545 <u> </u>	£ 72,376 <u> </u>
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7. PROFIT ON ORDINARY ACTIVITIES
AFTER TAXATION

Dealt with in the Accounts of the Company	50,558	(9,636)
Retained by Group Undertakings	75,703 <u> </u>	132,688 <u> </u>
	£126,261 <u> </u>	£123,052 <u> </u>

8. DIVIDENDS

Paid	£ 25,000 <u> </u>	£ - <u> </u>
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9. FIXED ASSETS - INTANGIBLE

Goodwill

Cost

At 1st January 1993 and at 31st December 1993	£234,351 <u> </u>
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Amortisation

At 1st January 1993	39,058
Charge for the year	15,623 <u> </u>

At 31st December 1993	£ 54,681 <u> </u>
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Net Book Value

At 31st December 1993	£179,670 <u> </u>
At 31st December 1992	£195,293 <u> </u>

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

10. FIXED ASSETS - TANGIBLE

<u>Holding Company</u>				
<u>Cost or Valuation</u>	<u>Freehold Properties</u>	<u>Long Leasehold Property</u>	<u>Furniture, Fittings and Equipment</u>	<u>Total</u>
At 1st January 1993	152,234	37,431	-	189,665
Additions	-	-	57,365	57,365
Disposal	(137,234)	-	-	(137,234)
At 31st December 1993	£ 15,000	£ 37,431	£ 57,365	£ 109,796
<u>Depreciation</u>				
At 1st January 1993	686	-	-	686
Charge for the year	-	-	11,472	11,472
Disposal	(686)	-	-	(686)
At 31st December 1993	£ -	£ -	£ 11,472	£ 11,472
<u>Net Book Value</u>				
At 31st December 1993	£ 15,000	£ 37,431	£ 45,893	£ 98,324
At 31st December 1992	£151,548	£ 37,431	£ -	£ 188,979

The net book value of the Company's fixed assets includes an amount of £32,876 (1992 - £Nil) in respect of assets held under finance leases and hire purchase contracts.

<u>Group</u>					
<u>Cost or Valuation</u>	<u>Freehold Property</u>	<u>Long Leasehold Property</u>	<u>Motor Vehicles</u>	<u>Fittings and Equipment</u>	<u>Total</u>
At 1st January 1993	516,361	47,357	240,364	392,701	1,196,783
Additions	45,776	-	109,796	105,489	261,061
Disposals	-	-	(63,433)	-	(63,433)
At 31st December 1993	£562,137	£ 47,357	£286,727	£498,190	£1,394,411
<u>Depreciation</u>					
At 1st January 1993	5,381	9,925	127,043	274,547	416,896
Charge for the year	3,474	-	68,511	55,459	127,444
Disposals	-	-	(41,977)	-	(41,977)
At 31st December 1993	£ 8,855	£ 9,925	£153,577	£330,006	£ 502,363
<u>Net Book Value</u>					
At 31st December 1993	£553,282	£ 37,432	£133,150	£168,184	£ 892,048
At 31st December 1992	£510,980	£ 37,432	£113,321	£118,154	£ 779,887

Freehold Land is not depreciated.

The net book value of the group's fixed assets includes an amount of £157,240 (1992 - £100,874) in respect of assets held under finance leases and hire purchase contracts.

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

11. FIXED ASSETS - INVESTMENTS

<u>Holding Company</u>	<u>Subordinated Loan to Group Undertakings</u>	<u>Shares in Group Undertakings</u>	<u>Total</u>
<u>Cost</u>			
At 1st January 1993	125,000	131,000	256,000
Additions	248,000	-	248,000
	<u> </u>	<u> </u>	<u> </u>
At 31st December 1993	£373,000	£131,000	£504,000
	<u> </u>	<u> </u>	<u> </u>

The following details relate to the Company's wholly owned Subsidiary Undertaking, all of which are incorporated and registered in England.

<u>Subsidiary Undertakings</u>	<u>Class of Shares Held</u>	<u>Nature of Business</u>
South Essex Insurance Brokers Limited	Ordinary	Insurance Brokers
Harlequin Worldwide Travel Limited	Ordinary	Travel Agents
South Essex Equestrian Services Limited	Ordinary	Equestrian Schooling

12. STOCKS

	<u>1993</u>	<u>1992</u>
<u>Group</u>		
Farm Crops	£ 1,252	£ -
	<u> </u>	<u> </u>

13. DEBTORS

<u>Holding Company</u>		
Amounts owed by Group Undertakings	10,751	56,501
Other Debtors	12,658	608
Prepayments and Accrued Income	846	-
	<u> </u>	<u> </u>
	£ 24,255	£ 57,109
	<u> </u>	<u> </u>
<u>Group</u>		
Amount due from Principals and Insurance Companies in respect of Insurance Transactions	336,685	376,566
Trade Debtors	38,005	45,304
Other Debtors	125,056	82,101
Advance Corporation Tax Recoverable	-	10,000
Prepayments and Accrued Income	11,198	18,804
	<u> </u>	<u> </u>
	£510,944	£532,775
	<u> </u>	<u> </u>

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

14. CREDITORS: AMOUNTS FALLING DUE 1993 1992
WITHIN ONE YEAR

Company

Bank Loan	-	2,972
Amounts due to Group Undertakings	115,697	142,114
Obligations under Finance Leases	10,274	-
Accruals and Deferred Income	3,243	1,176
	<u>£ 129,214</u>	<u>£ 146,262</u>

Group

Bank Loans and Overdrafts	58,989	60,566
Amounts due to Principals and Insurance Companies in respect of Insurance transactions	592,769	769,375
Trade Creditors	95,537	102,826
Obligations under Finance Leases	56,832	37,802
Other Creditors including Taxation and Social Security	148,042	153,020
Accruals and Deferred Income	87,144	64,227
	<u>£1,039,313</u>	<u>£1,187,816</u>

Other Creditors includes an amount of £137,083 (1992 - £146,794) relating to Taxation and Social Security.

Bank Loans and Overdrafts are secured by a fixed and floating charge over the assets of the Group.

15. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

Company

Bank Loan	-	114,361
Director's Loan	125,000	125,000
Obligations under Finance Leases	21,404	-
	<u>£ 146,404</u>	<u>£ 239,361</u>

Group

Bank Loans	251,426	275,747
Director's Loan	125,000	125,000
Obligations under Finance Leases	38,723	14,110
Pension Scheme	45,000	45,000
	<u>£ 460,149</u>	<u>£ 459,857</u>

SOUTH ESSEX INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

	<u>1993</u>	<u>1992</u>	
15. <u>CREDITORS: AMOUNTS FALLING DUE</u> <u>AFTER MORE THAN ONE YEAR (CONTINUED)</u>			
Amounts repayable by instalments:			
within five years	131,137	163,234	
after five years	178,737	141,535	
	<u>309,874</u>	<u>304,769</u>	
<u>Less:</u> Amounts falling due within one year	19,725	14,912	
	<u>£290,149</u>	<u>£289,857</u>	
16. <u>SHAREHOLDERS' FUNDS</u>			
	Called Up Share Capital	Profit and Loss Account	<u>Total</u>
<u>Company</u>			
Balance at 1st January 1993	1,000	117,039	118,039
Transfer from Profit and Loss Account	-	236,558	236,558
	<u>£ 1,000</u>	<u>£353,597</u>	<u>£354,595</u>
<u>Group</u>			
Balance at 1st January 1993	1,000	310,723	311,723
Transfer from Profit and Loss Account	-	101,261	101,261
	<u>£ 1,000</u>	<u>£411,984</u>	<u>£412,984</u>
The authorised share capital comprises:	<u>1993</u>	<u>1992</u>	
Authorised:			
1,000 Ordinary Shares of £1 per Share	<u>£ 1,000</u>	<u>£ 1,000</u>	
Called up Share Capital, Allotted and Fully Paid:			
1,000 Ordinary Shares of £1 per Share	<u>£ 1,000</u>	<u>£ 1,000</u>	

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993 (CONTINUED)

17. FUTURE FINANCIAL COMMITMENTS

(a) Operating Leases

At 31st December 1993 the Group had annual commitments under operating leases as set out below:

	<u>1993</u>	<u>1992</u>
Operating Leases which expire:		
within one year	-	-
in the second to fifth years	3,643	3,643
after five years	3,220	1,494
	<u>£ 6,863</u>	<u>£ 5,137</u>

(b) Finance Leases

At 31st December 1993 the Group had obligations under finance leases which are set out below:

Gross Amount Payable:		
within one year	64,138	42,473
in the second to fifth years	45,161	16,356
	<u>109,299</u>	<u>58,829</u>
<u>Deduct</u> : Finance Charges allocated to future periods	<u>(13,744)</u>	<u>(6,917)</u>
	<u>£ 95,555</u>	<u>£51,912</u>

18. CONTINGENT LIABILITIES

The Company has entered into an agreement whereby it guarantees the Group Undertaking bank loans and overdrafts. At 31st December 1992 the contingent liability in respect of these guarantees was £310,415 (1992 - £336,313).

19. TRANSACTIONS CONCERNING DIRECTOR

<u>Group</u>	<u>Outstanding at</u> <u>31.12.1993</u>	<u>31.12.1992</u>	<u>Maximum</u> <u>Liability</u> <u>during 1993</u>
Included in Other Debtors are the following:			
Director's Current Account	<u>£ -</u>	<u>£ 4,971</u>	<u>£11,501</u>