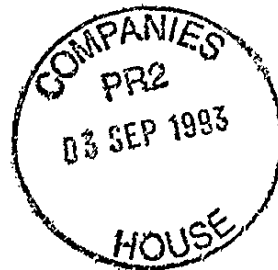


REPORT AND FINANCIAL STATEMENTS

Rollins Burdick Hunter  
Limited

31 DECEMBER 1992

1498405



 ERNST & YOUNG

# Rollins Burdick Hunter Limited

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Registered No. 1498405

## DIRECTORS

Malcolm W Cockren  
Malcolm A B Eldridge  
Grahame R Leslie

## SECRETARY

Malcolm A B Eldridge

## AUDITORS

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

## REGISTERED OFFICE

Braintree House  
Braintree Road  
Ruslip  
Middlesex HA4 OYA

 ERNST & YOUNG

# Rollins Burdick Hunter Limited

## DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 1992.

### RESULTS AND DIVIDENDS

The loss for the year is £81,210 (1991 - loss £32,412) as set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITY

The principal activity of the company is that of insurance brokers.

### BUSINESS REVIEW

The company has been affected by the continuing decline in the number of motion pictures being produced in the United Kingdom during 1992. However, due to increased involvement in other related areas of insurance and the efficiencies obtained through the implementation of a new computer system, the loss has been kept to manageable proportions. The first few months of 1993 have shown increased business and the directors hope that this will continue throughout the rest of the year.

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were M W Cockren, M A B Eldridge, K J O'Shea and G R Leslie.

K J O'Shea resigned on 26 March 1992 and G R Leslie was appointed on 11 March 1992.

None of the directors who held office at 31 December 1992 had any interest in the shares of the company or of any group company at any time during the year.

### CHANGE OF NAME

On 2 January 1992, the company changed its name from Bayly, Martin & Fay International Limited to Rollins Burdick Hunter Limited.

### AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

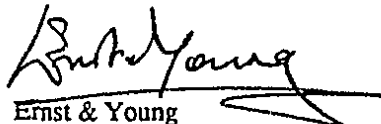
By order of the board

  
Secretary

REPORT OF THE AUDITORS  
to the members of Rollins Burdick Hunter Limited

We have audited the financial statements on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1992 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

27 May 1993.

# Rollins Burdick Hunter Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1992

	Notes	1992 £	1991 £
TURNOVER	2	496,253	490,976
Administrative expenses		(654,530)	(629,172)
Other operating income		13,700	12,000
OPERATING LOSS	3	(144,577)	(126,196)
Interest receivable		66,985	94,551
Interest payable	5	(3,635)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(81,227)	(31,645)
Tax on profit on ordinary activities	6	(17)	767
LOSS FOR THE FINANCIAL YEAR		(81,210)	(32,412)

ERNST & YOUNG

A statement of the movement on reserves can be found in note 13 on page 13.

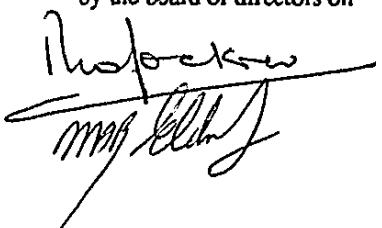
# Rollins Burdick Hunter Limited

## BALANCE SHEET

at 31 December 1992

	Notes	1992 £	1991 £
<b>FIXED ASSETS</b>			
Tangible assets	7	138,229	42,128
<b>CURRENT ASSETS</b>			
Debtors	8	463,820	246,796
Short-term deposits	9	595,737	1,037,872
Cash at bank and in hand	9	8,518	24,005
		1,068,075	1,308,673
<b>CREDITORS: amounts falling due within one year</b>	10	(1,121,097)	(1,193,924)
<b>NET CURRENT ASSETS</b>		(53,022)	114,749
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		85,207	156,877
<b>CREDITORS: amounts falling due after more than one year</b>			
Obligation under finance leases	11	9,540	-
		75,667	156,877
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	190,000	190,000
Profit and loss account	13	(114,333)	(33,123)
		75,667	156,877

These financial statements were approved  
by the board of directors on 27 May 1993

 )  
 ) Directors

# Rollins Burdick Hunter Limited

## STATEMENT OF CASH FLOWS

for the year ended 31 December 1992

	Notes	1992 £	1991 £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	3(b)	<u>(406,930)</u>	<u>55,552</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		70,485	97,151
Interest paid		(1,670)	-
Interest element of finance lease rentals payments		<u>(1,965)</u>	<u>-</u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<u>66,850</u>	<u>97,151</u>
<b>TAXATION</b>			
UK corporation tax paid		<u>(2,373)</u>	<u>(36,568)</u>
<b>TAX PAID</b>		<u>(2,373)</u>	<u>(36,568)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(111,803)	-
Disposal of tangible fixed assets		<u>8,500</u>	<u>-</u>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<u>(103,303)</u>	<u>-</u>
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<u>(445,756)</u>	<u>116,135</u>
<b>FINANCING</b>			
Repayments of capital element of finance lease rentals	11	<u>11,866</u>	<u>-</u>
<b>NET CASH INFLOW FROM FINANCING</b>		<u>11,866</u>	<u>-</u>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	9	<u>(457,622)</u>	<u>116,135</u>
		<u>(445,756)</u>	<u>116,135</u>

# Rollins Burdick Hunter Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1992

### 1. ACCOUNTING POLICIES

#### *Basis of accounting*

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

#### *Turnover*

Turnover represents brokerage and commissions earned on business closed during the year. Such income is accounted for when the debit note is raised.

#### *Operating costs*

Operating costs are written off as incurred.

#### *Insurance broking assets and liabilities*

The amounts included in debtors or creditors are net balances for each client or underwriter, comprising premiums and claims.

#### *Depreciation*

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

Motor vehicles	4 years
Leasehold improvements	life of lease
Furniture and office equipment	5 years

#### *Foreign currencies*

Assets and liabilities denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction.

Exchange differences are taken into account in arriving at the profit and loss for the year.

#### *Deferred taxation*

Provision is made for deferred taxation estimated to become payable in the foreseeable future in respect of all timing differences.

#### *Operating leases*

Rentals under operating leases are charged on a straight line basis over the lease term, subject to periodic rent reviews.

#### *Pension costs*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund in respect of the current accounting period.



# Rollins Burdick Hunter Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1992

### 2. ANALYSIS OF TURNOVER

*By geographical market*

	1992	1991
	£	£
United Kingdom	446,659	456,655
United States of America	37,027	22,011
All other	12,567	12,310
	<u>496,253</u>	<u>490,976</u>

### 3. OPERATING LOSS

(a) This is stated after charging the following

	1992	1991
	£	£
Depreciation of owned assets	39,563	28,829
Depreciation of assets held under finance leases	7,954	—
Finance charges on leased assets	1,965	—
Auditors' remuneration	10,400	9,500
Operating lease rentals in respect of land and buildings	15,000	15,000
Foreign exchange losses/(gains)	5,795	(919)
	<u>70,677</u>	<u>52,420</u>

(b) Reconciliation of operating loss to net cash inflow from operating activities

	1992	1991
	£	£
Operating loss	(144,577)	(126,196)
Depreciation charges	47,517	28,829
Profit on disposal of tangible fixed assets	(8,500)	—
(Increase)/decrease in debtors	(220,524)	91,413
(Decrease)/increase in creditors	(80,846)	61,506
Net cash inflow from operating activities	<u>(406,930)</u>	<u>55,552</u>

### 4. DIRECTORS AND EMPLOYEES

Directors' emoluments including pension contributions amounted to £176,300 (1991 - £168,651). Excluding pension contributions, the emoluments of the highest paid director, who was also the Chairman, amounted to £63,878 (1989 - £55,950). Excluding pension contributions, the emoluments of the other directors were within the following ranges:

	1992	1991
	No.	No.
£10,001 - £15,000	1	—
£35,001 - £40,000	1	—
£40,001 - £45,000	1	1
£50,001 - £55,000	—	1

# Rollins Burdick Hunter Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1992

### 4. DIRECTORS AND EMPLOYEES (continued)

The average number of persons employed by the company during the year was 15 (1991 - 15).

The aggregate payroll costs of these persons were as follows:

	1992	1991
	£	£
Wages and salaries	317,667	300,986
Social security costs	35,863	32,952
Other pension costs	46,347	54,648
	<u>399,877</u>	<u>388,586</u>

### 5. INTEREST PAYABLE

	1992	1991
	£	£
Loans from group undertakings	1,670	-
Finance charges payable under finance leases	1,965	-
	<u>3,635</u>	<u>-</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1992	1991
	£	£
UK Corporation tax based on the taxable profit for the year	-	2,390
Over-provision in prior period	(17)	(1,623)
	<u>(17)</u>	<u>767</u>

There are taxation losses available for future set-off estimated at £150,000.

# Rollins Burdick Hunter Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1992

### 7. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i>	<i>Motor vehicles</i>	<i>Furniture and office equipment</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 January 1992	2,500	111,536	64,071	178,107
Additions	-	38,869	104,749	143,618
Disposals	-	(26,935)	(2,210)	(29,145)
As at 31 December 1992	<u>2,500</u>	<u>123,470</u>	<u>166,610</u>	<u>292,580</u>
Depreciation:				
As at 1 January 1992	2,500	77,407	56,072	135,979
Charge for the year	-	23,517	24,000	47,517
Disposals	-	(26,935)	(2,210)	(29,145)
As at 31 December 1992	<u>2,500</u>	<u>73,989</u>	<u>77,862</u>	<u>154,351</u>
Net book value at 31 December 1992	<u>-</u>	<u>49,481</u>	<u>88,748</u>	<u>138,229</u>
Net book value at 1 January 1992	<u>-</u>	<u>34,129</u>	<u>7,999</u>	<u>42,128</u>

The net book value of motor vehicles above includes an amount of £23,861 (1991 - £nil) in respect of assets held under finance leases.

### 8. DEBTORS

	<i>1992</i>	<i>1991</i>
	£	£
Amounts owed by group undertakings	21,301	-
Trade debtors	431,738	226,765
Prepayments and accrued income	10,781	20,031
	<u>463,820</u>	<u>246,796</u>

### 9. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the balance sheet and changes during the current and previous year:

	<i>1992</i>	<i>1991</i>	<i>Change in year</i>
	£	£	£
Short-term deposits	595,737	1,037,872	(442,135)
Cash at bank and in hand	8,518	24,005	(15,487)
	<u>604,255</u>	<u>1,061,877</u>	<u>(457,622)</u>

# Rollins Burdick Hunter Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1992

### 9. CASH AND CASH EQUIVALENTS (continued)

	1991 £	1990 £	Change in year £
Short-term deposits	1,037,872	941,779	96,093
Cash at bank and in hand	24,005	3,963	20,042
	<u>1,061,877</u>	<u>945,742</u>	<u>116,135</u>

### 10. CREDITORS: amounts falling due within one year

	1992 £	1991 £
Trade creditors	688,963	705,522
Amounts owed to group undertakings	365,458	446,449
Corporation tax	—	2,390
Other tax and social security	10,255	10,140
Other creditors	22,012	15,823
Accruals	24,000	13,600
Obligations under finance leases	10,409	—
	<u>1,121,097</u>	<u>1,193,924</u>

### 11. OBLIGATIONS UNDER FINANCE LEASES

	1992 £	1991 £
Amounts payable:		
Within one year	10,409	—
Within two to five years	9,540	—
	<u>19,949</u>	<u>—</u>

Analysis of changes in finance leases during the current and previous years:

	1992 £	1991 £
At 1 January	—	—
Inception of finance lease contracts	31,815	—
Capital element of finance lease rental payments	(11,866)	—
At 31 December	<u>19,949</u>	<u>—</u>

### 12. SHARE CAPITAL

	1992 £	1991 £
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>190,000</u>	<u>190,000</u>

# Rollins Burdick Hunter Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1992

### 13. PROFIT AND LOSS ACCOUNT

At 1 January 1992	£
Loss for the financial year	(33,123)
	(81,210)
At 31 December 1992	<u>(114,333)</u>

### 14. LEASE COMMITMENTS

The company is committed to operating lease rental payments in the forthcoming year amounting to £15,000. These are in respect of land and buildings and the commitment expires in 2004.

### 15. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is the Aon Corporation, which is incorporated in the United States of America. This is also the parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member. Requests for copies of Aon Corporation's annual report should be addressed to the Corporate Secretary at 123, North Wacker Drive, Chicago, Illinois 60606, USA.