

HUNT AND PALMER PLC

Company No: 2027063

FINANCIAL STATEMENTS

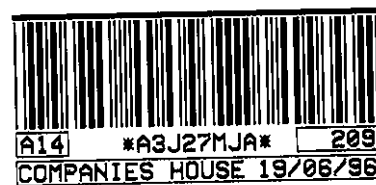
- for the year ended -

30 NOVEMBER 1995

GOODMAN JONES

Chartered Accountants
29/30 Fitzroy Square
London, W1P 6LQ

Reference MPGA/3739/MPGA



HUNT AND PALMER PLC

DIRECTORS

P.R. Hunt
J.F. Palmer
J.S. Martin

SECRETARY

J.F. Palmer

BUSINESS ADDRESS

32/34 Great Titchfield Street
London
W1P 8HP

REGISTERED OFFICE

29/30 Fitzroy Square
London
W1P 6LQ

AUDITORS

Goodman Jones
Chartered Accountants
29/30 Fitzroy Square
London
W1P 6LQ

PRINCIPAL BANKERS

National Westminster Bank plc
69 Margaret Street
London
W1N 8HD

HUNT AND PALMER PLC

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HUNT AND PALMER PLC

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 November 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The directors are satisfied with the company's performance during the year and look forward to the future with confidence.

On 17 February 1995 the director's changed the name of the company to Hunt and Palmer Plc.

DIVIDEND AND TRANSFER TO RESERVES

The directors recommend payment of a dividend amounting to £60,000.

It is proposed that the loss of £31,377 is transferred to reserves which will, after capitalising £44,001 to increase the company's issued share capital to £50,001, amount to £97,758 at the balance sheet date.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1995</u>	<u>1994</u>
P.R. Hunt	Ordinary shares	16,667	2,000
J.F. Palmer	Ordinary shares	16,667	2,000
J.S. Martin	Ordinary shares	16,667	2,000

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are 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 the going concern basis unless it is inappropriate to presume that the company will continue in business;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

HUNT AND PALMER PLC

REPORT OF THE DIRECTORS (Continued)

CLOSE COMPANY

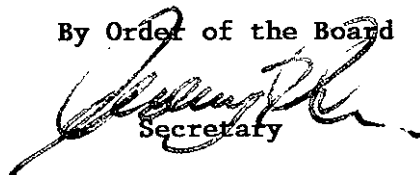
The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Goodman Jones, Chartered Accountants, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Date: 13/6/96

By Order of the Board


Secretary

HUNT AND PALMER PLC

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF HUNT AND PALMER PLC

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described on the Directors' Report the company's directors are responsible for the preparation of 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 directors 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 full financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GOODMAN JONES
Chartered Accountants
Registered Auditors

29/30 Fitzroy Square
London
W1P 6LQ

Date: 13 June 1996

HUNT AND PALMER PLC**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 1995**

	Notes	1995 £	1994 £
TURNOVER	2	11,937,412	9,056,982
Cost of sales		(10,892,313)	(7,760,935)
GROSS PROFIT		1,045,099	1,296,047
Administrative expenses		(1,023,135)	(754,587)
OPERATING PROFIT	3	21,964	541,460
Income from investments	4	25,456	25,078
Interest payable	5	(5,945)	(2,748)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,475	563,790
Tax on profit on ordinary activities	8	(12,852)	(173,458)
PROFIT FOR THE FINANCIAL YEAR		28,623	390,332
Dividends	9	(60,000)	(300,000)
LOSS FOR THE YEAR	19	(31,377)	90,332

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 17 form part of these financial statements.

HUNT AND PALMER PLC**BALANCE SHEET AT 30 NOVEMBER 1995**

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	10	90,859	56,972
Investments (related undertakings)	11	2	2
Investments (other)	12	2,013	2,004
		92,874	58,978
CURRENT ASSETS			
Debtors	13	651,441	338,866
Cash at bank and in hand		1,117,336	747,042
		1,768,777	1,085,908
CREDITORS: Amounts falling due within one year	14	(1,681,618)	(944,491)
		87,159	141,417
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		180,033	200,395
CREDITORS: Amounts falling due after more than one year	15	(27,984)	(17,735)
PROVISIONS FOR LIABILITIES AND CHARGES	17	(4,290)	(3,524)
		147,759	179,136
CAPITAL AND RESERVES			
Called up share capital	18	50,001	6,000
Profit and loss account	19	97,758	173,136
		147,759	179,136

The financial statements were approved
by the board on13.6.96..... and
signed on its behalf by

.....)
.....) Directors
.....)

The notes on pages 7 to 17 form part of these financial statements.

HUNT AND PALMER PLC**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 1995**

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	634,675	751,719
Return on investments and servicing of finance:			
Interest received		12,255	14,190
Dividends paid		(60,000)	(315,000)
Dividends received		201	210
Interest element on hire purchase contracts		(5,945)	(2,748)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(53,489)	(303,348)
Taxation:			
Corporation tax paid		(166,171)	(83,297)
TAX PAID		(166,171)	(83,297)
Investing activities:			
Purchase of tangible fixed assets		(17,410)	(6,963)
Purchase of other investments		(9)	(20)
Receipts from sale of tangible assets		3,345	5,600
NET CASHFLOW FROM INVESTING ACTIVITIES		(14,074)	(1,383)
NET CASH INFLOW BEFORE FINANCING		400,941	363,691
Financing:			
Repayment of capital on hire purchase contracts and finance leases rentals		30,647	16,549
NET CASH OUTFLOW FROM FINANCING	23	30,647	16,549
INCREASE IN CASH AND CASH EQUIVALENTS	22	370,294	347,142
		400,941	363,691

The notes on pages 7 to 17 form part of these financial statements.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	20%	Reducing balance
Motor vehicles	25%	Reducing balance

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.5 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.7 PENSIONS

Pension contributions are charged to the profit and loss accounts as incurred. These contributions are invested separately from the company's assets.

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995**

2. TURNOVER	1995	1994
	£	£
<u>Analysis by:-</u>		
Geographical market		
United Kingdom	6,360,932	4,745,915
Europe	4,066,070	1,590,305
United States	1,510,410	2,720,762
	11,937,412	9,056,982
 3. OPERATING PROFIT	 1995	 1994
	£	£
The operating profit is stated after charging:-		
Depreciation	28,015	17,604
Auditors' remuneration:-		
Audit services	2,500	1,850
Non-audit services	7,352	-
Hire of equipment	2,104	2,104
Operating lease rentals:-		
Land and buildings	29,657	29,703
 and after crediting:-		
Profit on foreign currencies	40,875	(35,737)
 4. INCOME FROM INVESTMENTS	 1995	 1994
	£	£
Bank and other interest receivable	25,255	24,868
Income from listed investments	201	210
	25,456	25,078
 5. INTEREST PAYABLE	 1995	 1994
	£	£
Hire purchase interest	5,945	2,748

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995

6. DIRECTORS AND EMPLOYEES	1995	1994
	£	£
Staff costs:-		
Wages and salaries	561,046	344,873
Social security costs	57,408	34,094
Other pension costs	105,225	105,000
	723,679	483,967
The average weekly number of employees during the year was made up as follows:	Number	Number
Administration	11	10
	£	£
Directors' emoluments:-		
Remuneration for management services (including pension contributions)	445,225	242,000
The division of directors' emoluments, excluding pension contributions, is as follows:-		
Chairman and highest paid director	126,667	57,000
Other directors' remuneration fell within the following ranges:	Number	Number
£35,001 - £40,000	-	2
£105,001 - £110,000	2	-

7. 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. Contributions payable by the company amounted to £105,225 (1994: £105,000). All contributions were paid in the year.

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995****8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1995 £	1994 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 25% (1994 - 25%)	12,047	169,882
Transfer to deferred taxation	766	3,524
Tax credit attributable to franked investment income	39	40
	12,852	173,446
Adjustment in respect of prior years	-	12
	12,852	173,458

9. DIVIDENDS

	1995 £	1994 £
Equity interests		
Ordinary:-		
Interim dividend paid	-	240,000
Final dividend proposed	60,000	60,000
	60,000	300,000

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995

10. TANGIBLE ASSETS

<u>Cost</u>	Beginning of year £	Additions £	Disposals £	End of year £
Fixtures and fittings	37,027	17,410	-	54,437
Motor vehicles	80,110	49,569	(16,044)	113,635
	117,137	66,979	(16,044)	168,072
<u>Depreciation</u>	Beginning of year £	Charge for year £	On disposals £	End of year £
Fixtures and fittings	20,380	6,811	-	27,191
Motor vehicles	39,785	21,204	(10,967)	50,022
	60,165	28,015	(10,967)	77,213
	Beginning of year £			End of year £
<u>Total net book values</u>	56,972			90,859

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1995 £	1994 £
Net book values:		
Motor vehicles	56,093	34,372
	56,093	34,372
Depreciation charge for the year:		
Motor vehicles	18,698	11,457
	18,698	11,457

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995

11. INVESTMENTS - RELATED UNDERTAKINGS

<u>Cost</u>	<u>Beginning of year</u> £	<u>Additions</u> £	<u>End of year</u> £
Shares:			
Group undertaking	2	-	2
	<u>2</u>	<u>-</u>	<u>2</u>
<u>Net book value</u>	<u>2</u>		<u>2</u>

The following was a subsidiary at the balance sheet date:

	Description and proportion of share capital owned	Country of incorp- oration or registration	Nature of business
Subsidiary undertaking			
Hunt and Palmer (Projects) Ltd.	Ordinary 100%	England	Dormant

Consolidated financial statements have not been prepared since the directors do not consider the subsidiary to be material to the group for the purpose of giving a true and fair view.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995

12. INVESTMENTS - OTHER

<u>Cost</u>	<u>Beginning of year £</u>	<u>Additions £</u>	<u>End of year £</u>
Other investments other than loans	2,004	9	2,013
	<u>2,004</u>	<u>9</u>	<u>2,013</u>
<u>Net book value</u>	<u>2,004</u>		<u>2,013</u>

<u>Other investments other than loans</u>	<u>1995</u>	<u>1994</u>
	<u>Cost £</u>	<u>Cost £</u>
Listed:		
-U.K. stock exchange	2,013	2,004
	<u>2,013</u>	<u>2,004</u>
	<u>Market value £</u>	<u>Market value £</u>
	3,800	4,086
	<u>3,800</u>	<u>4,086</u>

13. DEBTORS

	<u>1995 £</u>	<u>1994 £</u>
Trade debtors	390,960	220,713
Other debtors	17,290	15,651
Advance corporation tax	15,000	15,000
Prepayments and accrued income	228,191	87,502
	<u>651,441</u>	<u>338,866</u>

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995 £	1994 £
Trade creditors	967,060	185,105
Proposed dividend	60,000	60,000
Corporation tax	12,046	166,132
Other taxes and social security costs	103,242	14,376
Net obligations under finance lease and hire purchase contracts	25,891	17,217
Directors' current accounts	2,030	242,030
Other creditors	69,359	37,500
Accruals and deferred income	441,990	222,131
	1,681,618	944,491
15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1995 £	1994 £
Net obligations under finance leases and hire purchase contracts	27,984	17,735
	27,984	17,735
16. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1995 £	1994 £
<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
In one year, or less or on demand	30,646	19,573
Between one and two years	26,327	15,627
Between two and five years	3,364	3,160
	60,337	38,360
Finance charges and interest allocated to future accounting periods	(6,462)	(3,408)
	53,875	34,952
Included in current liabilities	(25,891)	(17,217)
	27,984	17,735

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995

17. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 33% (1994 - 33%) analysed over the following timing differences:-

	Fully Provided	
	1995	1994
	£	£
On other timing differences	4,290	3,524
	4,290	3,524

Movements on the provision for deferred taxation are:-

	£
Transferred from profit and loss account	4,290

18. SHARE CAPITAL

	1995	1994
	£	£
<u>Authorised</u>		
Equity interests:		
100,000 Ordinary shares of £1 each	100,000	10,000
<u>Allotted, called up and fully paid</u>		
Equity interests:		
50,001 Ordinary shares of £1 each	50,001	6,000
	50,001	6,000

During the year the company increased its authorised share capital to £100,000. It has issued £44,001 ordinary shares of £1 each, fully paid, by way of a capitalisation of reserves.

19. PROFIT AND LOSS ACCOUNT

	1995	1994
	£	£
Retained profits at 1 December 1994	173,136	82,804
Loss for the year	(31,377)	90,332
Bonus issue of shares	(44,001)	-
	97,758	173,136

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1995****20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1995 £	1994 £
Profit for the financial year	28,623	390,332
Dividends	(60,000)	(300,000)
	(31,377)	90,332
Shareholders' funds at 1 December 1994	179,136	88,804
Shareholders' funds at 30 November 1995	147,759	179,136
Represented by:-		
Equity interests	147,759	179,136
	147,759	179,136

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	21,964	541,460
Depreciation	28,015	17,604
Loss on disposal of fixed assets	1,732	(462)
Increase in debtors	(299,575)	(11,823)
Increase in creditors due within one year	882,539	204,940
	634,675	751,719

22. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1995 £	1994 £
Cash at bank and in hand at 1 December 1994	747,042	399,900
Cash at bank and in hand at 30 November 1995	1,117,336	747,042
Net movement	370,294	347,142