

HUNT AND PALMER PLC

COMPANY NUMBER:2027063

FINANCIAL STATEMENTS

- for the year ended -

30 NOVEMBER 2000

**GOODMAN JONES
Chartered Accountants
29/30 Fitzroy Square,
London, W1T 6LQ**

Reference PHW/3739/MPGA



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COMPANIES HOUSE**

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**0475
28/04/01**

HUNT AND PALMER PLC

DIRECTORS

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

SECRETARY

J.F. Palmer

BUSINESS ADDRESS

The Tower
Goff's Park Road
Crawley
West Sussex RH11 8XX

REGISTERED OFFICE

29/30 Fitzroy Square
London
W1T 6LQ

AUDITORS

Goodman Jones
Chartered Accountants
29/30 Fitzroy Square
London
W1T 6LQ

PRINCIPAL BANKERS

National Westminster Bank plc
125 Great Portland Street
London
W1A 1GA

HUNT AND PALMER PLC

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30 NOVEMBER 2000**

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HUNT AND PALMER PLC

REPORT OF THE DIRECTORS

FINANCIAL STATEMENTS

The directors present their report and the audited financial statements for the year ended 30 November 2000.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

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

The directors are pleased with the consolidated results for the year which show a significant increase in the level of business activity. The UK company has continued to perform well. The French division traded at a loss for the year. Nonetheless the group's directors are pleased with the growing performance of that division.

The directors look forward to the future with confidence.

DIVIDENDS

The directors have paid an interim dividend of £150,000, and they do not recommend payment of a final dividend.

POLICY ON PAYMENT OF TRADE CREDITORS

The group's policy is to settle its outstanding trade creditors within the terms agreed with individual suppliers.

The average number of days credit taken for trade purchases for the year ended 30 November 2000 was 36.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the group and of the profit and loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group or the company will continue in business;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the notes to the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for the prevention and detection of fraud and any other irregularities.

HUNT AND PALMER PLC

REPORT OF THE DIRECTORS (Continued)

DIRECTORS

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 :

		Number of shares	
	Class of shares	2000	1999
P.R. Hunt	Ordinary shares	16,667	16,667
J.S. Martin	Ordinary shares	16,667	16,667
J.F. Palmer	Ordinary shares	16,667	16,667

FIXED ASSETS

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

TAXATION STATUS

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

CHARITABLE CONTRIBUTIONS

During the year the group made various charitable contributions totalling £614.

AUDITORS

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

Date:

28 March 2001

By order of the Board

[Signature]
Secretary

AUDITORS' REPORT TO THE DIRECTORS OF HUNT & PALMER PLC

We have audited the financial statements on pages 4 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 9.

Respective responsibilities of the directors and auditors

As described in the directors' report the group's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 misstatements, 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 affairs of the company and of the group as at 30 November 2000 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 .



Goodman Jones

**Registered Auditors
Chartered Accountants**

29/30 Fitzroy Square,
London,
W1T 6LQ

Date: 28 March 2001

HUNT AND PALMER PLC**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2000**

	NOTES	2000 £	1999 £
TURNOVER	2	32,647,889	25,283,081
Cost of sales		<u>(28,516,290)</u>	<u>(22,898,607)</u>
GROSS PROFIT		4,131,599	2,384,474
Administrative expenses:		(3,943,777)	(1,952,115)
OPERATING PROFIT	3	<u>187,822</u>	<u>432,359</u>
Income from Investments	4	93,299	51,698
Interest payable	5	<u>(6,441)</u>	<u>(5,716)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		274,680	478,341
Tax on profit on ordinary activities	8	<u>(105,164)</u>	<u>(170,103)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	9	169,516	308,238
Dividends	10	<u>(150,000)</u>	<u>(135,000)</u>
PROFIT FOR THE FINANCIAL YEAR	19	<u>19,516</u>	<u>173,238</u>

None of the group's activities were acquired or discontinued in the above two financial years.

The notes on pages 9 to 20 form a part of these financial statements.

HUNT AND PALMER PLC

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 NOVEMBER 2000

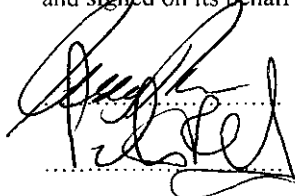
	2000	1999
	£	£
PROFIT FOR THE YEAR	169,516	308,238
Movement arising from foreign exchange differences	608	(168)
TOTAL RECOGNISED NET GAINS	<u>170,124</u>	<u>308,070</u>

The notes on pages 9 to 20 form a part of these financial statements.

HUNT AND PALMER PLC**CONSOLIDATED BALANCE SHEET AT 30 NOVEMBER 2000**

	NOTES	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		289,411		297,241
Investments : related Undertakings	12		10,000		-
Investments : other	13		1,944		2,192
			<u>301,355</u>		<u>299,433</u>
CURRENT ASSETS					
Debtors	14	3,898,167		2,585,109	
Cash at bank and in hand		<u>2,612,553</u>		<u>1,416,333</u>	
		6,510,720		4,001,442	
CREDITORS: Amounts falling due within one year	15	<u>(6,283,891)</u>		<u>(3,764,137)</u>	
NET CURRENT ASSETS			<u>226,829</u>		<u>237,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			528,184		536,738
CREDITORS: Amounts falling due after more than one year	16		<u>(14,079)</u>		<u>(42,757)</u>
			<u>514,105</u>		<u>493,981</u>
CAPITAL AND RESERVES					
Called up share capital	18		50,001		50,001
Profit and loss account	19		<u>464,104</u>		<u>443,980</u>
TOTAL SHAREHOLDERS' FUNDS			<u>514,105</u>		<u>493,981</u>

The financial statements were approved by the board on 28 March 2001...
and signed on its behalf by



Directors

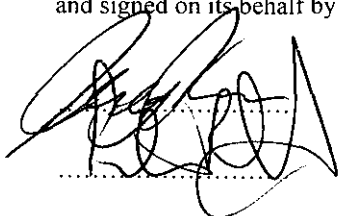
The notes on pages 9 to 20 form a part of these financial statements.

HUNT AND PALMER PLC

BALANCE SHEET AT 30 NOVEMBER 2000

	NOTES	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		280,235		292,311
Investments : related Undertakings	12		34,450		24,450
Investments : other	13		1,944		2,192
			<u>316,629</u>		<u>318,953</u>
CURRENT ASSETS					
Debtors	14	3,771,864		2,409,103	
Cash at bank and in hand		<u>2,488,222</u>		<u>1,415,948</u>	
		6,260,086		3,825,051	
CREDITORS: Amounts falling due within one year	15	<u>(5,927,045)</u>		<u>(3,555,711)</u>	
NET CURRENT ASSETS			<u>333,041</u>		<u>269,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			649,670		588,293
CREDITORS: Amounts falling due after more than one year	16		<u>(14,079)</u>		<u>(42,757)</u>
			<u>635,591</u>		<u>545,536</u>
CAPITAL AND RESERVES					
Called up share capital	18		50,001		50,001
Profit and loss account	19		<u>585,590</u>		<u>495,535</u>
TOTAL SHAREHOLDERS' FUNDS			<u>635,591</u>		<u>545,536</u>

The financial statements were approved by the board on 28/Nov/2001
and signed on its behalf by



Directors

The notes on pages 9 to 20 form a part of these financial statements.

HUNT AND PALMER PLC**CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2000**

	NOTES	2000	1999
		£	£
CASH FLOW FROM OPERATING ACTIVITIES	21	1,687,789	171,948
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	88,384	52,447
TAXATION		(168,908)	(116,079)
CAPITAL EXPENDITURE	22	(90,114)	(50,389)
ACQUISITIONS AND DISPOSAL	22	-	(2)
EQUITY DIVIDENDS PAID		(285,000)	(150,000)
Cash inflow before financing		<u>1,232,151</u>	<u>(92,075)</u>
FINANCING	22	(35,931)	(42,805)
INCREASE IN CASH IN THE YEAR		<u><u>1,196,220</u></u>	<u><u>(134,880)</u></u>

**RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET FUNDS 23**

INCREASE IN CASH IN THE YEAR	1,196,220	(134,880)
Cash outflow from decrease in debt and lease financing	<u>35,931</u>	<u>42,805</u>
Change in net funds resulting from cash flows	1,232,151	(92,075)
New finance leases	<u>-</u>	<u>(71,839)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	1,232,151	(163,914)
Net funds at 1 December 1999	<u>1,337,646</u>	<u>1,501,560</u>
NET FUNDS AT 30 NOVEMBER 2000	<u><u>2,569,797</u></u>	<u><u>1,337,646</u></u>

The notes on pages 9 to 20 form a part of these financial statements.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

1 ACCOUNTING POLICIES

Basis of accounting

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

The consolidated accounts include the results of Hunt and Palmer PLC and its trading subsidiary, Hunt and Palmer (France) S.A.R.L. for the 12 months ended 30 November 2000. The French company's first period of accounts are for the 17 months to 30 November 2000 and its results have been apportioned between 1999 and 2000 using unaudited management accounts for the 5 months to 30 November 1999. The comparative figures for 1999 therefore reflect the consolidated position of the group at that date. Consolidated accounts were not prepared in 1999, as the results of the French company for the 5 months to 30 November 1999 were not considered to be material to the true and fair view of the group's results for that year.

Turnover

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

Depreciation

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

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

Deferred tax

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

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 economic 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 of the term.

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 exchange rate at the prevailing accounting date. All differences are taken to the profit and loss account.

Pensions

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

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000****2 TURNOVER**

	2000	1999
	£	£
<u>Analysis by:-</u>		
Geographical Market		
United Kingdom	22,347,284	13,554,095
Europe	7,311,923	8,707,631
Rest of the World	2,988,682	3,021,355
	<u>32,647,889</u>	<u>25,283,081</u>

The directors do not consider that the group has more than one class of business during either year.

3 OPERATING PROFIT

	2000	1999
	£	£
The operating profit is stated after charging:-		
Depreciation	84,897	89,870
Auditors' remuneration	12,200	7,750
Non-audit remuneration	8,809	4,960
Loss on foreign currencies	-	23,733
Operating lease rentals		
- land and buildings	111,473	82,683
	<u>189,004</u>	<u>-</u>
and after crediting :		
Profit on foreign currencies	<u>189,004</u>	<u>-</u>

4 INCOME FROM INVESTMENTS

	2000	1999
	£	£
Bank and other interest receivable	93,141	51,236
Income from investments	158	462
	<u>93,299</u>	<u>51,698</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

5 INTEREST PAYABLE

	2000	1999
	£	£
On overdue tax	173	232
Hire purchase charges	6,268	5,484
	<u>6,441</u>	<u>5,716</u>

6 DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs:		
Wages and salaries	2,278,971	975,910
Social security costs	284,166	117,222
Other pension costs	500,000	33,300
	<u>3,063,137</u>	<u>1,126,432</u>

The average number of persons employed by the group is analysed as follows

	Number	Number
Administration and sales	<u>33</u>	<u>30</u>

Included above are directors' emoluments as follows:

	£	£
Remuneration for management services	1,203,592	271,027
Pension contributions	500,000	30,000
	<u>1,703,592</u>	<u>301,027</u>

The number of directors for whom payments have been made into the following types of pension schemes:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

	£	£
The division of directors emoluments is as follows:		
Highest paid director	502,888	97,736
Highest paid director's pension costs	166,667	10,000
	<u>669,555</u>	<u>107,736</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

7 PENSION COSTS

The group operates defined contribution pension schemes. The assets of the scheme are held separately from those of the group in independently administered funds. The contributions payable by the group amounted to £500,000 (1999 : £33,330). All contributions were paid in the year.

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge based on the profit before tax comprises:-		
UK corporation tax at 30% (1999: 30%)	105,164	170,000
Overseas taxation	-	-
Tax credit attributable to franked investment income	-	51
	<u>105,164</u>	<u>170,051</u>
Adjustment in respect of prior years - UK	-	52
	<u>105,164</u>	<u>170,103</u>

9 PROFIT FOR THE FINANCIAL YEAR

The amount of profit dealt with in the accounts of the holding company after tax is £240,055 (1999: £359,625). No profit and loss account is presented for Hunt & Palmer PLC as permitted by s230 of the Companies Act 1985.

10 DIVIDENDS

	2000	1999
	£	£
Equity interests		
Ordinary shares		
Interim dividend paid	150,000	-
Final dividend proposed	-	135,000
	<u>150,000</u>	<u>135,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

11 TANGIBLE ASSETS

<u>Group</u>	Equipment, fixtures and fittings	Motor vehicles	Total
<u>Cost</u>	£	£	£
At beginning of year	291,075	293,937	585,012
Additions	45,436	71,499	116,935
Disposals	-	(89,541)	(89,541)
At end of year	<u>336,511</u>	<u>275,895</u>	<u>612,406</u>
<u>Depreciation</u>			
At beginning of year	136,876	150,895	287,771
Disposals	-	(49,673)	(49,673)
Charge for year	<u>41,229</u>	<u>43,668</u>	<u>84,897</u>
At end of year	<u>178,105</u>	<u>144,890</u>	<u>322,995</u>
<u>Net book values</u>			
At end of year	<u>158,406</u>	<u>131,005</u>	<u>289,411</u>
At beginning of year	<u>154,199</u>	<u>143,042</u>	<u>297,241</u>

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

	2000 £	1999 £
<u>Motor Vehicles</u>		
Net book value	<u>47,357</u>	<u>81,028</u>
Depreciation charge for the year	<u>15,786</u>	<u>27,009</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

11 TANGIBLE ASSETS (continued)

<u>Company</u>	Equipment, fixtures and fittings	Motor vehicles	Total
	£	£	£
<u>Cost</u>			
At beginning of year	281,272	293,937	575,209
Additions	37,268	71,499	108,767
Disposals	-	(89,541)	(89,541)
At end of year	<u>318,540</u>	<u>275,895</u>	<u>594,435</u>
<u>Depreciation</u>			
At beginning of year	132,003	150,895	282,898
Charge for year	37,307	43,668	80,975
Disposals	-	(49,673)	(49,673)
At end of year	<u>169,310</u>	<u>144,890</u>	<u>314,200</u>
<u>Net book values</u>			
At end of year	<u>149,230</u>	<u>131,005</u>	<u>280,235</u>
At beginning of year	<u>149,269</u>	<u>143,042</u>	<u>292,311</u>

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

	2000	1999
<u>Motor Vehicles</u>	£	£
Net book value	<u>47,357</u>	<u>81,028</u>
Depreciation charge for the year	<u>15,786</u>	<u>27,009</u>

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

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

12 INVESTMENTS - RELATED UNDERTAKINGS

<u>Group</u>	2000 £	1999 £
<u>Cost</u>		
Shares in Participating interest	<u>10,000</u>	<u>-</u>

During the year, the group acquired a 33.33% interest, at par, in the issued share capital of Driven Worldwide Ltd which is incorporated in Great Britain. No financial information is yet available as the company's first accounts will be made up to 31 March 2001.

<u>Company</u>	Beginning of year £	Additions £	End of year £
<u>Shares at Cost</u>			
Group undertaking	24,450		24,450
Participating Interest	-	10,000	10,000
	<u>24,450</u>	<u>10,000</u>	<u>34,450</u>
<u>Net Book Values</u>			
At end of year	<u>24,450</u>		<u>34,450</u>

The following were subsidiaries at the balance sheet date:-

Subsidiary undertakings	Description and proportion of share capital owned	Country of incorporation	Nature of business
Hunt and Palmer (Projects) Limited	Ordinary 100%	G.B.	Dormant
Hunt and Palmer (France) S.A.R.L.	Ordinary 100%	France	Air Brokers

During the year, the group acquired a 33.33% interest, at par, in the issued share capital of Driven Worldwide Ltd which is incorporated in Great Britain. No financial information is yet available as the company's first accounts will be made up to 31 March 2001.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

13 INVESTMENTS - OTHER

<u>Group and Company</u>	2000 £	1999 £
Cost		
Other investments other than loans		
At beginning of year	2,192	2,165
Additions	24	27
Disposals	(272)	-
At end of year	<u>1,944</u>	<u>2,192</u>

	2000		1999	
	Cost £	Market Value £	Cost £	Market Value £
Listed investments	<u>1,944</u>	<u>3,656</u>	<u>2,192</u>	<u>3,125</u>

14 DEBTORS

	2000 £	1999 £
Group		
Trade debtors	2,923,202	1,807,054
Amounts owed by participating interest	15,000	-
Other debtors	58,257	51,555
Prepayments	901,708	726,500
	<u>3,898,167</u>	<u>2,585,109</u>

Company

Trade debtors	2,824,187	1,665,405
Amounts owed by group undertakings	138,405	36,023
Other debtors	43,614	45,481
Prepayments	765,658	662,194
	<u>3,771,864</u>	<u>2,409,103</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

**15 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	2000	1999
	£	£
Group		
Trade creditors	3,289,240	1,534,652
Proposed dividend	-	135,000
Corporation tax	106,256	170,000
Other taxes and social security costs	47,902	24,555
Hire purchase	28,677	35,930
Other creditors	(1,126)	244
Accruals	2,812,942	1,863,756
	<u>6,283,891</u>	<u>3,764,137</u>

Company

Trade creditors	3,215,646	1,485,778
Proposed dividend	-	135,000
Corporation tax	106,256	170,000
Other taxes and social security costs	35,895	36,453
Hire purchase	28,677	35,930
Other creditors	175	175
Accruals	2,540,396	1,692,375
	<u>5,927,045</u>	<u>3,555,711</u>

**16 CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR - Group and Company**

	2000	1999
	£	£
Net obligations under finance leases and hire purchase contracts	14,079	42,757
	<u>14,079</u>	<u>42,757</u>

The company's net obligations under finance leases and hire
purchase contracts are repayable as follows:

	2000	1999
	£	£
In one year, or less, or on demand	31,526	42,145
Between one and two years	14,514	31,526
Between two and five years	-	14,514
	<u>46,040</u>	<u>88,185</u>
Finance charges allocated to future accounting periods	(3,284)	(9,498)
	<u>42,756</u>	<u>78,687</u>
Included in current liabilities	(28,677)	(35,930)
	<u>14,079</u>	<u>42,757</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

17 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 30% (1999 - 31%) analysed over the following timing differences:

	Not provided		Provided	
	2000	1999	2000	1999
	£	£	£	£
On the excess of capital allowances over depreciation	(9,200)	(10,458)	-	-

18 SHARE CAPITAL

Authorised

Equity interests:

100,000 Ordinary shares of £1.00 each	2000 £	1999 £
	100,000	100,000

Allotted, called up and fully paid

Equity interests:

50,001 ordinary shares of £1 each	2000 £	1999 £
	50,001	50,001
	50,001	50,001

19 PROFIT AND LOSS ACCOUNT

Group

Retained profits at 1 December 1999	443,980	270,910
Retained profit for year	19,516	173,238
Foreign exchange difference	608	(168)
Retained profits at 30 November 2000	464,104	443,980

Company

Retained profits at 1 December 1999	495,535	270,910
Retained profit for year	90,055	224,625
Retained profits at 30 November 2000	585,590	495,535

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit on ordinary activities after taxation	169,516	308,238
Dividends	(150,000)	(135,000)
Foreign exchange difference	608	(168)
	20,124	173,070
Opening shareholders' funds	493,981	320,911
Closing shareholders' funds	514,105	493,981
Represented by:-		
Equity interests	514,105	493,981

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

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

	2000	1999
	£	£
Operating profit	187,822	432,359
Depreciation	84,897	89,870
Loss on disposal of fixed assets	3,295	105
Exchange difference	608	(168)
(Increase)/decrease in debtors	(1,314,584)	1,297,689
Increase/(decrease) in creditors due within one year	2,725,751	(1,647,907)
Cash flow from operating activities	1,687,789	171,948

22 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000	1999
	£	£
Returns on investment and servicing of finance		
Interest received	94,667	57,701
Interest paid	(173)	(232)
Dividends received	158	462
Interest element on hire purchase contracts	(6,268)	(5,484)
Net cash inflow from returns on investments and servicing of finance	88,384	52,447
Capital expenditure		
Purchase of tangible fixed assets	(116,935)	(69,751)
Purchase of other investments	(10,024)	(27)
Sale of other investments	272	
Sale of tangible fixed assets	36,573	19,385
Net cash outflow from capital expenditure	(90,114)	(50,393)
Financing		
Repayment of capital on hire purchase contracts	(35,931)	(42,805)
Net cash outflow from financing	(35,931)	(42,805)
Acquisitions and disposals		
Purchase of subsidiary undertakings	-	(2)
Net cash outflow from acquisitions and disposals	-	(2)

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2000

23 ANALYSIS OF NET DEBT

	Beginning of year	Cash flow	Other non-cash changes	End of year
Cash at bank and in hand	1,416,333	1,196,220	-	2,612,553
Finance lease	(78,687)	35,931	-	(42,756)
	<u>1,337,646</u>	<u>1,232,151</u>	<u>-</u>	<u>2,569,797</u>

24 REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings	
	2000	1999
	£	£
Expiry date:		
Within one year	26,500	-
Between one and five years	-	26,500
After more than five years	43,500	43,500
	<u>70,000</u>	<u>70,000</u>

25 CONTROL

The company is controlled by the directors as disclosed in the directors' report.

26 RELATED PARTY TRANSACTIONS

During the year, the group paid rent of £43,500 (1999 £43,500) to The Hunt & Palmer PLC Retirement Benefit Scheme, a scheme which is under the control of the directors.