

HUNT AND PALMER PLC

COMPANY NUMBER:2027063

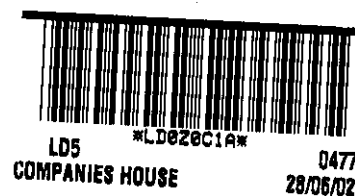
FINANCIAL STATEMENTS

- for the year ended -

30 NOVEMBER 2001

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

Reference PHW/3739/MPGA



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

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 NOVEMBER 2001

1. Report of the Directors
3. Report of the Auditors
4. Consolidated Profit and Loss Account
5. Statement of Total Recognised Gains and Losses
6. Consolidated Balance Sheet
7. Balance Sheet
8. Consolidated Cashflow Statement
9. Notes to the Financial Statements

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 2001.

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 do not recommend payment of a 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 2001 was 30 (2000: 36 days).

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	2001	2000
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 £578.

AUDITORS

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

Date: 24 April 2002



By order of the Board

J Palmer

Director

HUNT AND PALMER PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HUNT & PALMER PLC

We have audited the financial statements of Hunt & Palmer Plc for the year ended 30 November 2001 set out on pages 4 to 20. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors' and consider the implications for our report if we become aware of any apparent misstatements within it.

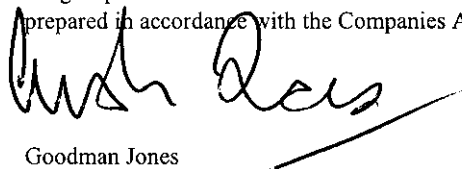
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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 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 affairs of the company and of the group as at 30 November 2001 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: 24 April 2002

HUNT AND PALMER PLC**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2001**

	NOTES	2001 £	2000 £
TURNOVER	2	24,756,389	32,647,889
Cost of sales		<u>(22,041,957)</u>	<u>(28,516,290)</u>
GROSS PROFIT		2,714,432	4,131,599
Administrative expenses:		(2,754,642)	(3,943,777)
OPERATING PROFIT	3	<u>(40,210)</u>	<u>187,822</u>
Income from Investments	4	92,639	93,299
Interest payable	5	<u>(3,567)</u>	<u>(6,441)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		48,862	274,680
Tax on profit on ordinary activities	8	<u>(30,500)</u>	<u>(105,164)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	9	18,362	169,516
Dividends	10	<u>-</u>	<u>(150,000)</u>
PROFIT FOR THE FINANCIAL YEAR	20	<u><u>18,362</u></u>	<u><u>19,516</u></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 2001

	2001	2000
	£	£
PROFIT FOR THE YEAR	18,362	169,516
Currency translation differences on foreign currency net investments	2,081	608
TOTAL RECOGNISED NET GAIN S	<u><u>20,443</u></u>	<u><u>170,124</u></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 2001**

	NOTES	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	11	334,519	289,411
Investments : related Undertakings	12	10,000	10,000
Investments : other	13	<u>2,248</u>	<u>1,944</u>
		346,767	301,355
CURRENT ASSETS			
Debtors	14	3,039,211	3,898,167
Cash at bank and in hand		<u>1,371,649</u>	<u>2,612,553</u>
		4,410,860	6,510,720
CREDITORS: Amounts falling due within one year	16	<u>(4,223,079)</u>	<u>(6,283,891)</u>
NET CURRENT ASSET S		<u>187,781</u>	<u>226,829</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		534,548	528,184
CREDITORS: Amounts falling due after more than one year	17	<u>-</u>	<u>(14,079)</u>
		<u>534,548</u>	<u>514,105</u>
CAPITAL AND RESERVES			
Called up share capital	19	50,001	50,001
Profit and loss account	20	<u>484,547</u>	<u>464,104</u>
TOTAL SHAREHOLDERS' FUND S		<u>534,548</u>	<u>514,105</u>

The financial statements were approved by the board on 24 April 2002
and signed on its behalf by

J Palmer

Director

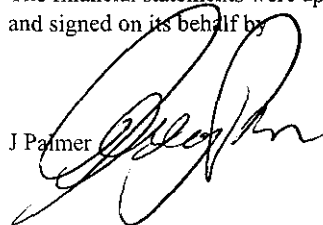
The notes on pages 9 to 20 form a part of these financial statements.

HUNT AND PALMER PLC**BALANCE SHEET AT 30 NOVEMBER 2001**

	NOTES	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	11	329,239	280,235
Investments : related Undertakings	12	34,450	34,450
Investments : other	13	<u>2,248</u>	<u>1,944</u>
		365,937	316,629
CURRENT ASSETS			
Debtors	14	2,878,120	3,771,864
Cash at bank and in hand		1,310,461	2,488,222
Debtors due after more than one year	15	<u>173,097</u>	<u>-</u>
		4,361,678	6,260,086
CREDITORS: Amounts falling due within one year	16	<u>(4,006,028)</u>	<u>(5,927,045)</u>
NET CURRENT ASSETS		<u>355,650</u>	<u>333,041</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		721,587	649,670
CREDITORS: Amounts falling due after more than one year	17	<u>-</u>	<u>(14,079)</u>
		<u>721,587</u>	<u>635,591</u>
CAPITAL AND RESERVES			
Called up share capital	19	50,001	50,001
Profit and loss account	20	<u>671,586</u>	<u>585,590</u>
TOTAL SHAREHOLDERS' FUNDS		<u>721,587</u>	<u>635,591</u>

The financial statements were approved by the board on 24 April 2002
and signed on its behalf by

J Palmer



Director

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 2001**

	NOTES	2001	2000
		£	£
CASH FLOW FROM OPERATING ACTIVITIES	22	(1,084,130)	1,687,789
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23	100,398	88,384
TAXATION		(105,164)	(168,908)
CAPITAL EXPENDITURE	23	(123,325)	(90,114)
ACQUISITIONS AND DISPOSAL:	23	-	-
EQUITY DIVIDENDS PAID		-	(285,000)
Cash outflow before financing		(1,212,221)	1,232,151
FINANCING	23	(28,683)	(35,931)
DECREASE IN CASH IN THE YEAR		(1,240,904)	1,196,220

**RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET FUNDS 24**

DECREASE IN CASH IN THE YEAR	(1,240,904)	1,196,220
Cash outflow from decrease in debt and lease financing	28,683	35,931
Change in net funds resulting from cash flows	(1,212,221)	1,232,151
New finance leases	-	-
MOVEMENT IN NET FUNDS IN THE YEAR	(1,212,221)	1,232,151
Net funds at 1 December 2000	2,569,797	1,337,646
NET FUNDS AT 30 NOVEMBER 2001	1,357,576	2,569,797

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 2001

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 2001.

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 2001

2 TURNOVER	2001 £	2000 £
<u>Analysis by:-</u>		
Geographical Market		
United Kingdom	11,535,803	22,347,284
Europe	7,650,891	7,311,923
Rest of the World	<u>5,569,695</u>	<u>2,988,682</u>
	<u>24,756,389</u>	<u>32,647,889</u>

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

3 OPERATING PROFIT	2001 £	2000 £
The operating profit is stated after charging:-		
Depreciation	80,678	84,897
Auditors' remuneration	12,000	12,200
Non-audit remuneration	5,071	8,809
Loss on foreign currencies	(82,363)	-
Operating lease rentals		
- land and buildings	<u>68,344</u>	<u>111,473</u>

and after crediting :

Profit on foreign currencies	-	<u>189,004</u>
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4 INCOME FROM INVESTMENTS	2001 £	2000 £
Bank and other interest receivable	62,472	93,141
Income from investments	<u>30,167</u>	<u>158</u>
	<u>92,639</u>	<u>93,299</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

5 INTEREST PAYABLE

	2001	2000
	£	£
On bank loans & overdrafts	488	173
On overdue tax	236	-
Hire purchase charges	2,843	6,268
	<u>3,567</u>	<u>6,441</u>

6 DIRECTORS AND EMPLOYEES

	2001	2000
	£	£
Staff costs:		
Wages and salaries	1,582,880	2,278,971
Social security costs	205,082	284,166
Other pension costs	9,000	500,000
	<u>1,796,962</u>	<u>3,063,137</u>

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

	Number	Number
Administration and sales	<u>36</u>	<u>33</u>

Included above are directors' emoluments as follows:

	£	£
Remuneration for management services	617,391	1,203,592
Pension contributions	9,000	500,000
	<u>626,391</u>	<u>1,703,592</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>
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The division of directors emoluments is as follows:

	£	£
Highest paid director	220,444	502,888
Highest paid director's pension costs	3,000	166,667
	<u>223,444</u>	<u>669,555</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

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 £9,000 (2000 : £500,000). All contributions were paid in the year.

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
U K Corporation Tax		
Current tax on income	30,500	105,164
Foreign Tax		
Current tax on income	-	-
	<u>30,500</u>	<u>105,164</u>

9 PROFIT FOR THE FINANCIAL YEAR

The amount of profit dealt with in the accounts of the holding company after tax is £85,996 (2000: £240,055). No profit and loss account is presented for Hunt & Palmer PLC as permitted by s230 of the Companies Act 1985.

10 DIVIDENDS

	2001 £	2000 £
Equity interests		
Ordinary shares		
Interim dividend paid	-	150,000
Final dividend proposed	-	-
	<u>-</u>	<u>150,000</u>

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001****11 TANGIBLE ASSETS**

<u>Group</u>	Equipment, fixtures and fittings	Motor vehicles	Total
<u>Cost</u>	£	£	£
At beginning of year	336,511	275,895	612,406
Additions	32,040	112,181	144,221
Disposals	-	(80,029)	(80,029)
At end of year	<u>368,551</u>	<u>308,047</u>	<u>676,598</u>
<u>Depreciation</u>			
At beginning of year	178,105	144,890	322,995
Disposals	-	(61,594)	(61,594)
Charge for year	<u>40,032</u>	<u>40,646</u>	<u>80,678</u>
At end of year	<u>218,137</u>	<u>123,942</u>	<u>342,079</u>
<u>Net book values</u>			
At end of year	<u>150,414</u>	<u>184,105</u>	<u>334,519</u>
At beginning of year	<u>158,406</u>	<u>131,005</u>	<u>289,411</u>

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

	2001 £	2000 £
<u>Motor Vehicles</u>		
Net book value	<u>30,487</u>	<u>47,357</u>
Depreciation charge for the year	<u>10,162</u>	<u>15,786</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 2001****11 TANGIBLE ASSETS (continued)**

<u>Company</u>	Equipment, fixtures and fittings	Motor vehicles	Total
	£	£	£
<u>Cost</u>			
At beginning of year	318,540	275,895	594,435
Additions	32,040	112,181	144,221
Disposals	-	(80,029)	(80,029)
At end of year	<u>350,580</u>	<u>308,047</u>	<u>658,627</u>
<u>Depreciation</u>			
At beginning of year	169,310	144,890	314,200
Charge for year	36,136	40,646	76,782
Disposals	-	(61,594)	(61,594)
At end of year	<u>205,446</u>	<u>123,942</u>	<u>329,388</u>
<u>Net book values</u>			
At end of year	<u>145,134</u>	<u>184,105</u>	<u>329,239</u>
At beginning of year	<u>149,230</u>	<u>131,005</u>	<u>280,235</u>

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

	2001 £	2000 £
<u>Motor Vehicles</u>		
Net book value	<u>30,487</u>	<u>47,357</u>
Depreciation charge for the year	<u>10,162</u>	<u>15,786</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 2001

12 INVESTMENTS - RELATED UNDERTAKINGS

<u>Group</u>	2001 £	2000 £
<u>Cost</u>		
Shares in Participating interest	<u>10,000</u>	<u>10,000</u>

Financial information is given in the note below.

<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>34,450</u>	<u>-</u>	<u>34,450</u>

Net Book Values

At end of year	<u>34,450</u>	<u>34,450</u>
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The following were related undertakings at the balance sheet date:-

	Description and proportion of share capital owned	Country of incorporation	Nature of business
Subsidiaries			
Hunt and Palmer (Projects) Limited	Ordinary 100%	G.B.	Dormant
Hunt and Palmer (France) S.A.R.L.	Ordinary 100%	France	Air Brokers
Participating Interest			
Driven Worldwide Ltd	Ordinary 33.33%	G.B.	Car & Limousine Charter

Financial information summary

	Aggregate capital and reserves at last accounting date £	Results for the last financial period £
Hunt and Palmer (Projects) Limited	2	-
Hunt and Palmer (France) S.A.R.L.	(162,589)	(69,836)
Driven Worldwide limited	<u>107,027</u>	<u>97,027</u>

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001****13 INVESTMENTS - OTHER**

<u>Group and Company</u>	2001 £	2000 £
Cost		
Other investments other than loans		
At beginning of year	1,944	2,192
Additions	304	24
Disposals	-	(272)
At end of year	<u>2,248</u>	<u>1,944</u>

	2001		2000	
	Cost £	Market Value £	Cost £	Market Value £
Listed investments	<u>2,248</u>	<u>3,708</u>	<u>1,944</u>	<u>3,656</u>

14 DEBTORS

	2001 £	2000 £
<u>Group</u>		
Trade debtors	2,056,589	2,923,202
Amounts owed by participating interest	-	15,000
Other debtors	73,300	58,257
Prepayments	<u>909,322</u>	<u>901,708</u>
	<u>3,039,211</u>	<u>3,898,167</u>

Company

Trade debtors	2,021,885	2,824,187
Amounts owed by group undertakings	-	138,405
Other debtors	47,724	43,614
Prepayments	<u>808,511</u>	<u>765,658</u>
	<u>2,878,120</u>	<u>3,771,864</u>

15 DEBTORS DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
<u>Company</u>		
Amounts owed by group undertakings	<u>173,097</u>	<u>-</u>

HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001****16 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	2001	2000
	£	£
Group		
Trade creditors	2,117,733	3,289,240
Proposed dividend	-	-
Corporation tax	31,592	106,256
Other taxes and social security costs	50,725	47,902
Hire purchase	14,073	28,677
Other creditors	(2,726)	(1,126)
Accruals	2,011,682	2,812,942
	<u>4,223,079</u>	<u>6,283,891</u>

Company

Trade creditors	2,054,600	3,215,646
Proposed dividend	-	-
Corporation tax	31,592	106,256
Other taxes and social security costs	39,321	35,895
Hire purchase	14,073	28,677
Other creditors	-	175
Accruals	1,866,442	2,540,396
	<u>4,006,028</u>	<u>5,927,045</u>

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

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts	-	14,079
	<u>-</u>	<u>14,079</u>

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

	2001	2000
	£	£
In one year, or less, or on demand	14,460	31,526
Between one and two years	-	14,514
Between two and five years	-	-
	<u>14,460</u>	<u>46,040</u>
Finance charges allocated to future accounting periods	(387)	(3,284)
	<u>14,073</u>	<u>42,756</u>
Included in current liabilities	<u>(14,073)</u>	<u>(28,677)</u>
	<u>-</u>	<u>14,079</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

18 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 20% (2000 - 30%) analysed over the following timing differences:

	Not provided		Provided	
	2001	2000	2001	2000
	£	£	£	£
On the excess of capital allowances over depreciation	<u>(8,453)</u>	<u>(9,200)</u>	<u>-</u>	<u>-</u>

19 SHARE CAPITAL

Authorised

Equity interests:

100,000 Ordinary shares of £1 each

2001	2000
£	£

100,000	100,000
---------	---------

Allotted, called up and fully paid

Equity interests:

50,001 ordinary shares of £1 each

50,001	50,001
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<u>50,001</u>	<u>50,001</u>
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20 PROFIT AND LOSS ACCOUNT

Group

Retained profits at 1 December 2000

464,104	443,980
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Retained profit for year

18,362	19,516
--------	--------

Foreign exchange difference

2,081	608
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Retained profits at 30 November 2001

<u>484,547</u>	<u>464,104</u>
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Company

Retained profits at 1 December 2000

585,590	495,535
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Retained profit for year

85,996	90,055
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Retained profits at 30 November 2001

<u>671,586</u>	<u>585,590</u>
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21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit on ordinary activities after taxation

18,362	169,516
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Dividends

-	(150,000)
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Foreign exchange difference

2,924	608
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21,286	20,124
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Opening shareholders' funds

<u>514,105</u>	<u>493,981</u>
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Closing shareholders' funds

<u>535,391</u>	<u>514,105</u>
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Represented by:-

Equity interests

<u>535,391</u>	<u>514,105</u>
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HUNT AND PALMER PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001****22 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit	(40,210)	187,822
Depreciation	80,678	84,897
(Profit)/loss on disposal of fixed assets	(2,765)	3,295
Exchange difference	2,081	608
(Increase)/decrease in debtors	847,630	(1,314,584)
Decrease/(increase) in creditors due within one year	<u>(1,971,544)</u>	<u>2,725,751</u>
Cash flow from operating activities	<u>(1,084,130)</u>	<u>1,687,789</u>

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

	2001 £	2000 £
Returns on investment and servicing of finance		
Interest received	73,798	94,667
Interest paid	(3,567)	(173)
Dividends received	30,167	158
Interest element on hire purchase contracts	-	(6,268)
Net cash inflow from returns on investments and servicing of finance	<u>100,398</u>	<u>88,384</u>
Capital expenditure		
Purchase of tangible fixed assets	(144,221)	(116,935)
Purchase of other investments	(304)	(10,024)
Sale of other investments	-	272
Sale of tangible fixed assets	21,200	36,573
Net cash outflow from capital expenditure	<u>(123,325)</u>	<u>(90,114)</u>
Financing		
Repayment of capital on hire purchase contracts	(28,683)	(35,931)
Net cash outflow from financing	<u>(28,683)</u>	<u>(35,931)</u>
Acquisitions and disposals		
Purchase of subsidiary undertakings	-	-
Net cash outflow from acquisitions and disposals	<u>-</u>	<u>-</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

24 ANALYSIS OF NET DEBT

	Beginning of year	Cash flow	Other non-cash changes	End of year
Cash at bank and in hand	2,612,553	(1,240,904)	-	1,371,649
Finance lease	(42,756)	28,683	-	(14,073)
	<u>2,569,797</u>	<u>(1,212,221)</u>	<u>-</u>	<u>1,357,576</u>

25 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	
	2001	2000
	£	£
Expiry date:		
Within one year	-	26,500
Between one and five years	-	-
After more than five years	83,500	43,500
	<u>83,500</u>	<u>70,000</u>

26 CONTROL

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

27 RELATED PARTY TRANSACTIONS

During the year, the group paid rent of £43,500 (2000: £43,500) to The Hunt & Palmer PLC Retirement Benefit Scheme, a scheme which is under the control of the directors.