

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2003



HUNT AND PALMER PLC

DIRECTORS AND ADVISERS

Directors	P.R. Hunt J.S. Martin J.F. Palmer
Secretary	J.F. Palmer
Company number	2027063
Registered office	29/30 Fitzroy Square London W1T 6LQ
Registered auditors	Goodman Jones 29/30 Fitzroy Square London W1T 6LQ
Business address	The Tower Goff's Park Road Crawley West Sussex RH11 8XX
Bankers	National Westminster Bank plc 125 Great Portland Street London W1A 1GA

HUNT AND PALMER PLC

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HUNT AND PALMER PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2003

The directors present their report and financial statements for the year ended 30 November 2003.

Directors

The following directors have held office since 1 December 2002:

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

Principal activities and review of the business

The principal activity of the group remains that of international aircraft chartering.

The directors are satisfied with the group's performance in the year and remain confident about its long-term future.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

The directors do not recommend payment of a dividend.

Directors' interests

The directors' interests in the ordinary shares of the company were as stated below

	30 November 2003	1 December 2002
P R Hunt	16,667	16,667
J S Martin	16,667	16,667
J F Palmer	16,667	16,667

Charitable Donations

	2003 £	2002 £
During the year the company made the following payments:		
Charitable donations	510	184

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Creditor payment policy

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 2003 was 29 (2002: 30 days).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Goodman Jones be reappointed as auditors of the company will be put to the Annual General Meeting.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

Directors' responsibilities

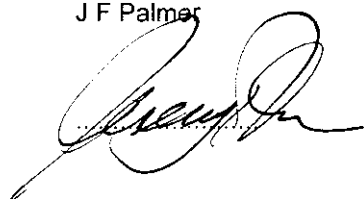
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

J F Palmer



11 June 2004

HUNT AND PALMER PLC

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

We have audited the financial statements of Hunt and Palmer Plc on pages 4 to 21 for the year ended 30 November 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

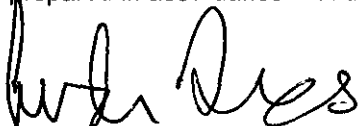
Basis of audit opinion

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 company's and 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 the company's and the group's affairs as at 30 November 2003 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

14 June 2004

Chartered Accountants
Registered Auditor

29/30 Fitzroy Square
London
W1T 6LQ

HUNT AND PALMER PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	36,217,031	31,449,183
Cost of sales		(32,908,251)	(28,528,770)
Gross profit		3,308,780	2,920,413
Administrative expenses		(3,316,938)	(2,911,279)
Operating (loss)/profit	3	(8,158)	9,134
Investment income	4	40,051	50,143
Other interest receivable and similar income		20,879	29,949
Interest payable and similar charges	5	(4,027)	(857)
Profit on ordinary activities before taxation		48,745	88,369
Tax on profit on ordinary activities	6	(9,458)	(42,210)
Profit on ordinary activities after taxation		39,287	46,159

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HUNT AND PALMER PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 NOVEMBER 2003

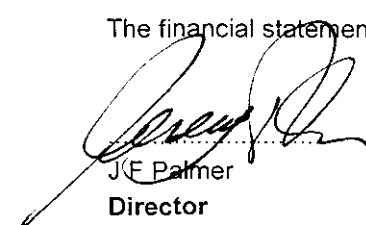
	2003 £	2002 £
Profit for the financial year	39,287	46,159
Currency translation differences on foreign currency net investments	3,251	6,103
Total recognised gains and losses relating to the year	<u>36,036</u>	<u>40,056</u>

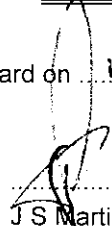
HUNT AND PALMER PLC

BALANCE SHEETS AS AT 30 NOVEMBER 2003

		Group		Company	
	Notes	2003	2002	2003	2002
		£	£	£	£
Fixed assets					
Tangible assets	8	678,216	316,767	675,038	315,418
Investments	9	17,997	20,466	47,711	20,468
		<u>696,213</u>	<u>337,233</u>	<u>722,749</u>	<u>335,886</u>
Current assets					
Debtors	10	5,166,306	3,596,908	3,805,468	3,070,727
Cash at bank and in hand		1,090,783	1,316,488	983,523	1,312,188
		<u>6,257,089</u>	<u>4,913,396</u>	<u>4,788,991</u>	<u>4,382,915</u>
Creditors: amounts falling due within one year	11	(6,339,097)	(4,669,754)	(4,891,903)	(4,134,746)
Net current (liabilities)/assets		<u>(82,008)</u>	<u>243,642</u>	<u>(102,912)</u>	<u>248,169</u>
Total assets less current liabilities		<u>614,205</u>	<u>580,875</u>	<u>619,837</u>	<u>584,055</u>
Provisions for liabilities and charges	12	(3,565)	(6,271)	(3,565)	(6,271)
		<u>610,640</u>	<u>574,604</u>	<u>616,272</u>	<u>577,784</u>
Capital and reserves					
Called up share capital	14	50,001	50,001	50,001	50,001
Profit and loss account	15	560,639	524,603	566,271	527,783
Shareholders' funds - equity interests	16	<u>610,640</u>	<u>574,604</u>	<u>616,272</u>	<u>577,784</u>

The financial statements were approved by the board on 11/6/04


J.F. Palmer
Director


J.S. Martin
Director

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2003

	2003		2002	
	£	£	£	£
Net cash outflow from operating activities		(135,288)		(14,749)
Returns on investments and servicing of finance				
Interest received	20,879		28,687	
Interest paid	(4,027)		(422)	
Dividends received	40,051		50,143	
Net cash inflow for returns on investments and servicing of finance		56,903		78,408
Taxation		(41,686)		(24,753)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(470,941)		(89,182)	
Payments to acquire investments	(31)		(8,218)	
Receipts from sales of tangible assets	27,860		16,801	
Net cash outflow for capital expenditure		(443,112)		(80,599)
Net cash outflow before management of liquid resources and financing		(563,183)		(41,693)
Management of liquid resources				
Bank deposits	111,152		(60,601)	
		111,152		(60,601)
Financing				
Other new short term loans	320,000		-	
Capital element of hire purchase contracts	-		(14,073)	
Net cash inflow/(outflow) from financing		320,000		(14,073)
Decrease in cash in the year		(132,031)		(116,367)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2003

1	Reconciliation of operating (loss)/profit to net cash outflow from operating activities	2003	2002
		£	£
	Operating (loss)/profit	(8,158)	9,134
	Depreciation of tangible assets	67,762	83,549
	Loss on disposal of tangible assets	13,870	6,584
	Increase in debtors	(1,566,837)	(556,435)
	Increase in creditors within one year	1,361,326	448,522
	Net effect of foreign exchange differences	(3,251)	(6,103)
	Net cash outflow from operating activities	(135,288)	(14,749)

2	Analysis of net funds	1 December 2002	Cash flow	Other non-cash changes	30 November 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,201,186	(114,553)	-	1,086,633
	Bank overdrafts	(605)	(17,478)	-	(18,083)
		<u>1,200,581</u>	<u>(132,031)</u>	<u>-</u>	<u>1,068,550</u>
	Liquid resources:				
	Bank deposits	115,302	(111,152)	-	4,150
		<u>-</u>	<u>(320,000)</u>	<u>-</u>	<u>(320,000)</u>
	Debts falling due within one year	-	(320,000)	-	(320,000)
	Net funds	<u>1,315,883</u>	<u>(563,183)</u>	<u>-</u>	<u>752,700</u>

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	Decrease in cash in the year	(132,031)	(116,369)
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(111,152)	60,601
	Cash (inflow)/outflow from (increase)/decrease in debt	(320,000)	14,073
	Movement in net funds in the year	(563,183)	(41,695)
	Opening net funds	1,315,883	1,357,578
	Closing net funds	752,700	1,315,883

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 November 2003.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Asset in course of constr'n	Fifty years
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Pensions

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

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

1 Accounting policies

(continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2003 £	2002 £
Geographical segment		
United Kingdom	19,138,738	15,331,644
Europe	7,281,962	7,190,284
Rest of World	9,796,331	8,927,255
	<u>36,217,031</u>	<u>31,449,183</u>

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2003 £	2002 £
Depreciation of tangible assets	67,762	83,549
Loss on disposal of tangible assets	13,870	6,584
Loss on foreign exchange transactions	316,207	210,421
Operating lease rentals	90,552	90,634
Auditors' remuneration (company £13,000 ; 2002 : £16,000)	13,000	16,000
Remuneration of auditors for non-audit work	10,388	7,724

and after crediting:

Profit on foreign exchange transactions	<u>(1,173)</u>	<u>-</u>
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4 Investment income

	2003 £	2002 £
Income from fixed asset investments	<u>40,051</u>	<u>50,143</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

5	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	4,027	233
	Lease finance charges	-	435
	On overdue tax	-	189
		<u>4,027</u>	<u>857</u>
6	Taxation	£	£
	Domestic current year tax		
	U.K. corporation tax	13,256	41,686
	Adjustment for prior years	(1,092)	(5,747)
	Current tax charge	<u>12,164</u>	<u>35,939</u>
	Deferred tax		
	Deferred tax charge/credit current year	(2,706)	6,271
		<u>9,458</u>	<u>42,210</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>48,745</u>	<u>88,369</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	<u>14,624</u>	<u>26,511</u>
	Effects of:		
	Non deductible expenses	14,782	96,420
	Depreciation add back	20,090	23,885
	Capital allowances	(19,739)	(22,587)
	Adjustments to previous periods	(1,092)	(5,747)
	Dividends and distributions received	(12,015)	(15,043)
	Other tax adjustments	(4,486)	(67,500)
		<u>(2,460)</u>	<u>9,428</u>
	Current tax charge	<u>12,164</u>	<u>35,939</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

7 Profit/(loss) for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows:

	2003 £	2002 £
Holding company's profit/(loss) for the financial year	<u>38,488</u>	<u>(143,803)</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

8 Tangible fixed assets Group

	Asset in course of constr'n £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2002	-	377,526	342,080	719,606
Additions	444,793	6,708	19,440	470,941
Disposals	-	(58,987)	(95,013)	(154,000)
	<u>444,793</u>	<u>325,247</u>	<u>266,507</u>	<u>1,036,547</u>
At 30 November 2003	444,793	325,247	266,507	1,036,547
Depreciation				
At 1 December 2002	-	252,772	150,067	402,839
On disposals	-	(43,788)	(68,482)	(112,270)
Charge for the year	-	21,532	46,230	67,762
	<u>-</u>	<u>230,516</u>	<u>127,815</u>	<u>358,331</u>
At 30 November 2003	-	230,516	127,815	358,331
Net book value				
At 30 November 2003	<u>444,793</u>	<u>94,731</u>	<u>138,692</u>	<u>678,216</u>
At 30 November 2002	<u>-</u>	<u>124,754</u>	<u>192,013</u>	<u>316,767</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

8 Tangible fixed assets (continued) Company

	Asset in course of constr'n £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2002	-	359,555	342,080	701,635
Additions	444,793	4,085	19,440	468,318
Disposals	-	(58,987)	(95,013)	(154,000)
At 30 November 2003	444,793	304,653	266,507	1,015,953
Depreciation				
At 1 December 2002	-	236,150	150,067	386,217
On disposals	-	(43,788)	(68,482)	(112,270)
Charge for the year	-	20,738	46,230	66,968
At 30 November 2003	-	213,100	127,815	340,915
Net book value				
At 30 November 2003	444,793	91,553	138,692	675,038
At 30 November 2002	-	123,405	192,013	315,418

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

9 Fixed asset investments Group

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 December 2002	2,341	18,125	20,466
Additions	31	-	31
Disposals	-	(2,500)	(2,500)
At 30 November 2003	2,372	15,625	17,997
At 30 November 2002	2,341	18,125	20,466

9 Fixed asset investments Company

	Listed investments £	Unlisted investments £	Shares in subsidiary undertakings £	Total £
Cost				
At 1 December 2002	2,341	18,125	24,450	44,916
Additions	31	-	29,712	29,743
Revaluation	-	(2,500)	-	(2,500)
At 30 November 2003	2,372	15,625	54,162	72,159
Provisions for diminution in value				
At 1 December 2002 & at 30 November 2003	-	-	24,448	24,448
Net book value				
At 30 November 2003	2,372	15,625	29,714	47,711
At 30 November 2002	2,341	18,125	2	20,468

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

	Market value £	Directors' valuation £	Total £
At 30 November 2003	3,773	15,625	19,398
At 30 November 2002	3,304	18,125	21,429

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Hunt and Palmer (Projects) Limited	G.B.	Ordinary	100
Hunt and Palmer (France) S.A.R.L.	France	Ordinary	100
Hunt & Palmer PTY Ltd	Australia	Ordinary	75
Other significant interests			
Driven Worldwide Limited	G.B.	Ordinary	33
Armadillo Industries Limited	G.B.	Ordinary A Shares	25

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Hunt and Palmer (Projects) Limited	Dormant
Hunt and Palmer (Projects) S.A.R.L.	Air brokers
Hunt and Palmer PTY Limited	Air brokers
Driven Worldwide Limited	Private car hire charter
Armadillo Industries Limited	Automotive security fittings

The aggregate amount of capital and reserves and the results for the last relevant financial year were as follows:

	Capital & reserves £	Profit for the year £
Driven Worldwide Limited	298,901	127,930
Armadillo Industries Limited	40,939	(4,061)

10 Debtors

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Trade debtors	3,620,597	2,470,561	2,697,748	2,126,334
Other debtors	53,159	85,664	50,693	54,959
Prepayments and accrued income	1,492,550	1,040,683	1,057,027	889,434
	<u>5,166,306</u>	<u>3,596,908</u>	<u>3,805,468</u>	<u>3,070,727</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

11 Creditors : amounts falling due within one year

	2003 £	2002 £	2003 £	2002 £
Bank loans and overdrafts	338,083	605	337,623	-
Trade creditors	2,515,648	2,515,797	2,131,681	2,391,697
Amounts owed to group undertakings	-	-	20,390	-
Corporation tax	13,256	42,778	13,256	42,778
Taxes and social security costs	53,711	64,336	40,840	42,924
Other creditors	(113)	(174)	-	-
Accruals and deferred income	3,418,512	2,046,412	2,348,113	1,657,347
	<u>6,339,097</u>	<u>4,669,754</u>	<u>4,891,903</u>	<u>4,134,746</u>

Included within bank loans and overdrafts is a short term loan of £320,000 secured upon the company asset currently in course of construction.

12 Provisions for liabilities and charges

Group

	Deferred taxation £
Balance at 1 December 2002	6,271
Profit and loss account	(2,706)
	<u>3,565</u>
Balance at 30 November 2003	<u>3,565</u>

Company

Balance at 1 December 2002	6,271
Profit and loss account	(2,706)
	<u>3,565</u>
Balance at 30 November 2003	<u>3,565</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Accelerated capital allowances	<u>3,565</u>	<u>6,271</u>	<u>3,565</u>	<u>6,271</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

13 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 and amounted to £41,000 (2002 £9,000). All contributions were paid in the year.

14 Share capital

	2003 £	2002 £
Authorised		
100,000 Ordinary shares of £ 1 each	100,000	100,000
Allotted, called up and fully paid		
50,001 Ordinary shares of £ 1 each	50,001	50,001

15 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 December 2002	524,603
Retained profit for the year	39,287
Foreign currency translation differences	(3,251)
Balance at 30 November 2003	560,639

Company

	Profit and loss account £
Balance at 1 December 2002	527,783
Retained profit for the year	38,488
Balance at 30 November 2003	566,271

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

16 Reconciliation of movements in shareholders' funds	2003	2002
Group	£	£
Profit for the financial year	39,287	46,159
Other recognised gains and losses	(3,251)	(6,103)
Net addition to shareholders' funds	36,036	40,056
Opening shareholders' funds	574,604	534,548
Closing shareholders' funds	610,640	574,604
Company	2003 £	2002 £
Profit/(Loss) for the financial year	38,488	(143,803)
Opening shareholders' funds	577,784	721,587
Closing shareholders' funds	616,272	577,784

17 Financial commitments

At 30 November 2003 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
In over five years	83,500	83,500
	83,500	85,000

At 30 November 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
In over five years	83,500	83,500

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2003

18 Directors' emoluments	2003 £	2002 £
Emoluments for qualifying services	662,567	349,236
Company pension contributions to money purchase schemes	41,000	9,000
	<u>703,567</u>	<u>358,236</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2002 - 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	229,243	117,084
Company pension contributions to money purchase schemes	35,000	3,000
	<u>264,243</u>	<u>120,084</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Administration and sales	<u>36</u>	<u>37</u>

Employment costs

	£	£
Wages and salaries	1,718,378	1,430,601
Social security costs	237,206	186,112
Other pension costs	41,000	9,000
	<u>1,996,584</u>	<u>1,625,713</u>

20 Control

The company is controlled by P Hunt, J Palmer and J Martin.