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Company Registration No. 2027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2004



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 2004

The directors present their report and financial statements for the year ended 30 November 2004.

Directors

The following directors have held office since 1 December 2003:

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 recommend payment of a final dividend amounting to £225,000.

Directors' interests

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

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

Charitable Donations

	2004 £	2003 £
During the year the company made the following payments:		
Charitable donations	809	510

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 2004 was 18 (2003: 29 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 2004

Directors' responsibilities

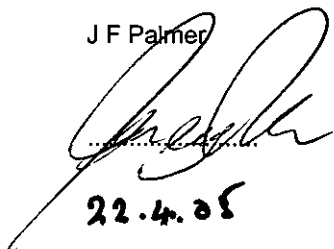
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required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



22.4.05

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 22 for the year ended 30 November 2004. 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.

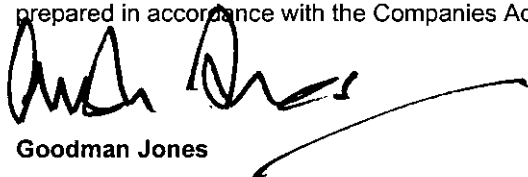
Basis of audit opinion

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 2004 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

Chartered Accountants
Registered Auditor

9 May 2005

29/30 Fitzroy Square
London
W1T 6LQ

HUNT AND PALMER PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	39,469,459	36,217,031
Cost of sales		(35,837,580)	(32,908,251)
Gross profit		3,631,879	3,308,780
Administrative expenses		(3,459,192)	(3,316,938)
Operating profit/(loss)	3	172,687	(8,158)
Investment income	4	-	40,051
Other interest receivable and similar income		18,441	20,879
Interest payable and similar charges	5	(7,271)	(4,027)
Profit on ordinary activities before taxation		183,857	48,745
Tax on profit on ordinary activities	6	(20,297)	(9,458)
Profit on ordinary activities after taxation		163,560	39,287
Minority interests		(1,367)	-
Profit for the financial year	7	162,193	39,287
Dividends	8	(225,000)	-
Retained (loss)/profit for the year	17	(62,807)	39,287

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 2004

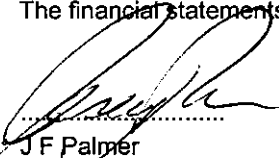
	2004 £	2003 £
Profit for the financial year	163,560	39,287
Currency translation differences on foreign currency net investments	1,958	3,251
Total recognised gains and losses relating to the year	<u>161,602</u>	<u>36,036</u>

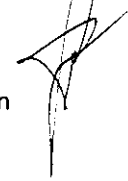
HUNT AND PALMER PLC

BALANCE SHEETS AS AT 30 NOVEMBER 2004

	Notes	Group 2004 £	2003 £	Company 2004 £	2003 £
Fixed assets					
Tangible assets	9 and 10	820,419	678,216	813,817	675,038
Investments	11	23,622	17,997	76,807	47,711
		<u>844,041</u>	<u>696,213</u>	<u>890,624</u>	<u>722,749</u>
Current assets					
Debtors	12	4,317,128	5,166,306	2,383,643	3,805,468
Cash at bank and in hand		2,277,218	1,090,783	1,948,704	983,523
		<u>6,594,346</u>	<u>6,257,089</u>	<u>4,332,347</u>	<u>4,788,991</u>
Creditors: amounts falling due within one year	13	(6,878,848)	(6,339,097)	(4,553,313)	(4,891,903)
Net current liabilities		<u>(284,502)</u>	<u>(82,008)</u>	<u>(220,966)</u>	<u>(102,912)</u>
Total assets less current liabilities		<u>559,539</u>	<u>614,205</u>	<u>669,658</u>	<u>619,837</u>
Provisions for liabilities and charges	14	(12,298)	(3,565)	(12,298)	(3,565)
		<u>547,241</u>	<u>610,640</u>	<u>657,360</u>	<u>616,272</u>
Capital and reserves					
Called up share capital	16	50,001	50,001	50,001	50,001
Profit and loss account	17	495,873	560,639	607,359	566,271
Shareholders' funds - equity interests	19	<u>545,874</u>	<u>610,640</u>	<u>657,360</u>	<u>616,272</u>
Minority interests	18	1,367	-	-	-
		<u>547,241</u>	<u>610,640</u>	<u>657,360</u>	<u>616,272</u>

The financial statements were approved by the board on 


J F Palmer
Director


J S Martin

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2004

	2004		2003	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		1,425,680		(135,288)
Returns on investments and servicing of finance				
Interest received	18,441		20,879	
Interest paid	(7,271)		(4,027)	
Dividends received	-		40,051	
Net cash inflow for returns on investments and servicing of finance		11,170		56,903
Taxation		(13,256)		(41,686)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(225,921)		(470,941)	
Payments to acquire investments	(5,625)		(31)	
Receipts from sales of tangible assets	11,201		27,860	
Net cash outflow for capital expenditure		(220,345)		(443,112)
Net cash inflow/(outflow) before management of liquid resources and financing		1,203,249		(563,183)
Management of liquid resources				
Bank deposits	4,150		111,152	
		4,150		111,152
Financing				
Other new short term loans	-		320,000	
Net cash (outflow)/inflow from financing		-		320,000
Increase/(decrease) in cash in the year		1,207,399		(132,031)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2004

1	Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		2004	2003	
			£	£	
	Operating profit/(loss)		172,687	(8,158)	
	Depreciation of tangible assets		55,526	67,762	
	Loss on disposal of tangible assets		16,990	13,870	
	Decrease/(increase) in debtors		849,178	(1,566,837)	
	Increase in creditors within one year		333,257	1,361,822	
	Net effect of foreign exchange differences		(1,958)	(3,251)	
	Net cash inflow/(outflow) from operating activities		1,425,680	(135,288)	
2	Analysis of net funds	1 December 2003	Cash flow	Other non-cash changes	30 November 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,086,633	1,190,585	-	2,277,218
	Bank overdrafts	(18,083)	16,814	-	(1,269)
		1,068,550	1,207,399	-	2,275,949
	Liquid resources:				
	Bank deposits	4,150	(4,150)	-	-
	Debts falling due within one year	(320,000)	-	-	(320,000)
	Net funds	752,700	1,203,249	-	1,955,949
3	Reconciliation of net cash flow to movement in net debt		2004	2003	
			£	£	
	Increase/(decrease) in cash in the year		1,207,399	(132,031)	
	Cash inflow from decrease in liquid resources		(4,150)	(111,152)	
	Cash inflow from increase in debt		-	(320,000)	
	Movement in net funds in the year		1,203,249	(563,183)	
	Opening net funds		752,700	1,315,883	
	Closing net funds		1,955,949	752,700	

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2004

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 UK 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 2004.

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 include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets 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:

Land and buildings Leasehold	Fifty years straight-line
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

No amortisation is provided in respect of the leasehold building as it was acquired at the year end and was not in use at that time.

1.7 Leasing

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.

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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

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:

	2004 £	2003 £
Geographical segment		
United Kingdom	21,682,997	19,138,738
Europe	9,999,095	7,281,962
Rest of World	7,787,367	9,796,331
	<u>39,469,459</u>	<u>36,217,031</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2004 £	2003 £
Depreciation of tangible assets	55,526	67,762
Loss on disposal of tangible assets	16,990	13,870
Loss on foreign exchange transactions	-	316,207
Operating lease rentals	87,940	90,552
Auditors' remuneration (company £14,600; 2003: £13,000)	14,600	13,000
Remuneration of auditors for non-audit work	6,939	10,388

and after crediting:

Profit on foreign exchange transactions	<u>(9,735)</u>	<u>(1,173)</u>
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4 Investment income

	2004 £	2003 £
Income from fixed asset investments	<u>-</u>	<u>40,051</u>

5 Interest payable

	2004 £	2003 £
On bank loans and overdrafts	<u>7,271</u>	<u>4,027</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

6 Taxation

	£	£
Domestic current year tax		
U.K. corporation tax	11,564	13,256
Adjustment for prior years	-	(1,092)
	<u>11,564</u>	<u>12,164</u>
Current tax charge	11,564	12,164
Deferred tax		
Deferred tax charge/credit current year	8,733	(2,706)
	<u>20,297</u>	<u>9,458</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>183,857</u>	<u>48,745</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	<u>55,157</u>	<u>14,624</u>
Effects of:		
Non deductible expenses	13,798	14,782
Depreciation add back	21,318	20,090
Capital allowances	(23,962)	(19,739)
Foreign tax adjustments	(47,960)	-
Adjustments to previous periods	-	(1,092)
Dividends and distributions received	-	(12,015)
Other tax adjustments	(6,787)	(4,486)
	<u>(43,593)</u>	<u>(2,460)</u>
Current tax charge	<u>11,564</u>	<u>12,164</u>

No provision has been made for overseas company taxation because of the availability of tax losses arising in that jurisdiction that are at least equal to the taxable profits arising.

7 Profit 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 for the financial year is made up as follows:

	2004 £	2003 £
Holding company's profit for the financial year	<u>266,088</u>	<u>38,488</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

8	Dividends	2004 £	2003 £
	Ordinary final proposed	225,000	-

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

9 Tangible fixed assets Group

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2003	-	325,248	266,507	591,755
Additions	130,033	74,636	21,250	225,919
Disposals	-	(57,931)	(35,750)	(93,681)
At 30 November 2004	130,033	341,953	252,007	723,993
Depreciation				
At 1 December 2003	-	230,516	127,815	358,331
On disposals	-	(39,376)	(26,114)	(65,490)
Charge for the year	-	18,587	36,939	55,526
At 30 November 2004	-	209,727	138,640	348,367
Net book value				
At 30 November 2004	130,033	132,226	113,367	375,626
At 30 November 2003	-	94,731	138,692	233,423

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

9 Tangible fixed assets (continued) Company

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2003	-	304,654	266,507	571,161
Additions	130,033	69,756	21,250	221,039
Disposals	-	(55,554)	(35,750)	(91,304)
At 30 November 2004	130,033	318,856	252,007	700,896
Depreciation				
At 1 December 2003	-	213,100	127,815	340,915
On disposals	-	(36,999)	(26,114)	(63,113)
Charge for the year	-	17,131	36,939	54,070
At 30 November 2004	-	193,232	138,640	331,872
Net book value				
At 30 November 2004	130,033	125,624	113,367	369,024
At 30 November 2003	-	91,553	138,692	230,245

10 Tangible fixed assets Investment properties

	Group £	Company £
Cost		
At 1 December 2003 & at 30 November 2004	444,793	444,793
Depreciation		
At 1 December 2003 & at 30 November 2004	-	-
Net book value		
At 30 November 2004	444,793	444,793
At 30 November 2003	444,793	444,793

The directors consider the market value of the property at the balance sheet date is not to materially different to its historic cost.

At 30 November 2003 the property was classed as an asset in course of construction pending a decision by the Company as to its intended purpose. The property is now held as an investment property. The comparative amounts at 31 December 2003 have been restated to reflect its reclassification between different classes of fixed assets.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

11 Fixed asset investments Group

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 December 2003	2,372	15,625	17,997
Additions	-	5,625	5,625
At 30 November 2004	2,372	21,250	23,622
At 30 November 2003	2,372	15,625	17,997

11 Fixed asset investments Company

	Listed investments £	Unlisted investments £	Shares in subsidiary undertakings £	Total £
Cost				
At 1 December 2003	2,372	15,625	54,162	72,159
Additions	-	5,625	-	5,625
Disposals	-	-	(977)	(977)
At 30 November 2004	2,372	21,250	53,185	76,807
Provisions for diminution in value				
At 1 December 2003	-	-	24,448	24,448
On disposals	-	-	(977)	(977)
Charge for the year	-	-	(23,471)	(23,471)
At 30 November 2004	-	-	-	-
Net book value				
At 30 November 2004	2,372	21,250	53,185	76,807
At 30 November 2003	2,372	15,625	29,714	47,711

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 2004	3,668	21,250	24,918
At 30 November 2003	3,773	15,625	19,398

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

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	96
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	
Subsidiary undertakings	
Hunt and Palmer (Projects) Limited	Dormant
Hunt and Palmer (Projects) S.A.R.L.	Air brokers
Hunt and Palmer PTY Limited	Air brokers
Other significant interests	
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	191,810	92,909
Armadillo Industries Limited	55,799	14,860
	<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

12 Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	3,233,261	3,620,597	1,335,561	2,697,748
Amounts owed by group undertakings	-	-	238,254	-
Other debtors	97,607	53,159	70,609	50,693
Prepayments and accrued income	1,001,845	1,492,550	739,219	1,057,027
	<u>4,332,713</u>	<u>5,166,306</u>	<u>2,383,643</u>	<u>3,805,468</u>

13 Creditors : amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	321,269	338,083	320,000	337,623
Trade creditors	2,088,662	2,515,648	1,987,912	2,131,681
Amounts owed to group undertakings	-	-	-	20,390
Corporation tax	11,564	13,256	11,564	13,256
Taxes and social security costs	70,248	53,711	48,562	40,840
Other creditors	1,371	(113)	-	-
Accruals and deferred income	4,176,319	3,418,512	1,960,275	2,348,113
Proposed dividend	225,000	-	225,000	-
	<u>6,894,433</u>	<u>6,339,097</u>	<u>4,553,313</u>	<u>4,891,903</u>

Included within bank loans and overdrafts is a short term loan of £320,000 secured upon the company's investment property.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

14 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 December 2003	3,565
Profit and loss account	8,733
Balance at 30 November 2004	12,298

Company

Balance at 1 December 2003	3,565
Profit and loss account	8,733
Balance at 30 November 2004	12,298

The deferred tax liability is made up as follows:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Accelerated capital allowances	12,298	3,565	12,298	3,565

15 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 £153,000 (2003 £41,000). All contributions were paid in the year.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

16	Share capital	2004	2003
		£	£
	Authorised		
	100,000 Ordinary shares of £1 each	100,000	100,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	50,001 Ordinary shares of £1 each	50,001	50,001
		<u> </u>	<u> </u>
17	Statement of movements on profit and loss account		
	Group		
			Profit and
			loss account
			£
	Balance at 1 December 2003		560,638
	Retained loss for the year		(62,807)
	Foreign currency translation differences		(1,958)
			<u> </u>
	Balance at 30 November 2004		495,873
			<u> </u>
	Company		
			Profit and
			loss account
			£
	Balance at 1 December 2003		566,271
	Retained profit for the year		41,088
			<u> </u>
	Balance at 30 November 2004		607,359
			<u> </u>
18	Minority interests	2004	2003
		£	£
	Minority interests' share of net assets and liabilities in subsidiary undertakings	1,367	-
		<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

19 Reconciliation of movements in shareholders' funds Group

	2004 £	2003 £
Profit for the financial year	162,193	39,287
Dividends	(225,000)	-
	(62,807)	39,287
Other recognised gains and losses	(1,958)	(3,251)
Net (depletion in)/addition to shareholders' funds	(64,765)	36,036
Opening shareholders' funds	610,640	574,604
Closing shareholders' funds	545,874	610,640

	2004 £	2003 £
Profit for the financial year	266,088	38,488
Dividends	(225,000)	-
Net addition to shareholders' funds	41,088	38,488
Opening shareholders' funds	616,272	577,784
Closing shareholders' funds	657,360	616,272

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

20 Financial commitments

At 30 November 2004 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
Between two and five years	40,000	-
In over five years	43,500	83,500
	<u>83,500</u>	<u>83,500</u>

At 30 November 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
Between two and five years	40,000	-
In over five years	43,500	83,500
	<u>83,500</u>	<u>83,500</u>

21 Directors' emoluments

	2004	2003
	£	£
Emoluments for qualifying services	551,747	662,567
Company pension contributions to money purchase schemes	159,000	41,000
	<u>710,747</u>	<u>703,567</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2003- 3).

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

Emoluments for qualifying services	188,788	229,243
Company pension contributions to money purchase schemes	53,000	35,000
	<u>241,788</u>	<u>264,243</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2004

22 Employees

Number of employees

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

	2004 Number	2003 Number
Administration and sales	38	36

Employment costs

	£	£
Wages and salaries	1,690,115	1,718,378
Social security costs	245,405	237,206
Other pension costs	159,000	41,000
	2,094,520	1,996,584

23 Control

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

24 Related party transactions

Company

Included in other creditors at the year end is £15,000 due from Armadillo Industries Ltd; this is an unsecured interest free loan. Included in trade creditors and debtors are balances of £86 (2003 £3,525) and £24,457 (2003 £7,320 relating to Driven Worldwide Ltd and Armadillo Industries Ltd respectively. Hunt and Palmer has a material interest in these companies and provides them with accounting and office support services for which £74,063 was billed during the year.

Included in trade creditors is £424 (2003 £6,339) owed to HPMS Ltd a company under the direct control of the directors. HPMS Ltd provides marketing support services to the company and was paid £52,401 during the year.

During the year the company paid rent of £43,500 (2003: £43,500) to The Hunt & Palmer PLC Retirement Benefit Scheme, a scheme which is under the control of the directors.