

Company Registration No. 2027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2005



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COMPANIES HOUSE 20/07/2006

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 LLP 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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Consolidated profit and loss account	4
Statement of recognised gains and losses	5
Balance sheets	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the financial statements	9 - 22

HUNT AND PALMER PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2005

The directors present their report and financial statements for the year ended 30 November 2005.

Directors

The following directors have held office since 1 December 2004:

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 an ordinary dividend amounting to £175,000.

Directors' interests

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

Hunt and Palmer Plc

	Ordinary shares of £ 1 each	
	30 November 2005	1 December 2004
P.R. Hunt	16,667	16,667
J.S. Martin	16,667	16,667
J.F. Palmer	16,667	16,667
	2005	2004
	£	£

During the year the group made the following payments:

Charitable donations	7,676	809
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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.

Auditors

On 1 June 2005 Goodman Jones, the company's auditors, transferred its business to Goodman Jones LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly, Goodman Jones resigned as auditors on 9 June 2005 and the directors appointed Goodman Jones LLP as its successor. A resolution to reappoint Goodman Jones LLP as auditors will be proposed at the next Annual General Meeting.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

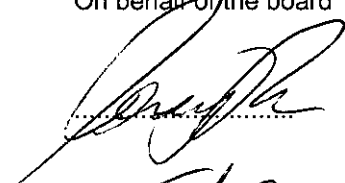
Directors' responsibilities

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 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


14 July 2006

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 2005. 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 or 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.

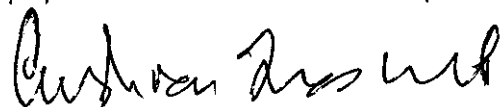
Basis of audit opinion

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 2005 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 LLP

19 July 2006

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 2005

	Notes	2005 £	2004 £
Turnover	2	37,517,288	39,469,459
Cost of sales		(33,846,007)	(35,837,580)
Gross profit		3,671,281	3,631,879
Administrative expenses		(3,444,974)	(3,459,192)
Other operating income		14,183	-
Operating profit	3	240,490	172,687
Income from interests in associated undertakings		(4,804)	-
Investment income	4	1,023	-
Other interest receivable and similar income		32,085	18,441
Interest payable and similar charges	5	(5,203)	(7,271)
Profit on ordinary activities before taxation		263,591	183,857
Tax on profit on ordinary activities	6	(79,793)	(20,297)
Profit on ordinary activities after taxation		183,798	163,560
Minority interests		(2,701)	(1,367)
Profit for the financial year	7	181,097	162,193
Dividends	8	(175,000)	(225,000)
Retained profit/(loss) for the year	17	6,097	(62,807)

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 2005

	2005 £	2004 £
Profit for the financial year	183,798	163,560
Currency translation differences on foreign currency net investments	(3,425)	(1,958)
Total recognised gains and losses relating to the year	<u>180,373</u>	<u>161,602</u>

HUNT AND PALMER PLC

BALANCE SHEETS AS AT 30 NOVEMBER 2005

	Notes	Group 2005 £	2004 £	Company 2005 £	2004 £
Fixed assets					
Tangible assets	9 and 10	698,578	820,419	664,078	813,817
Investments	11	12,413	23,622	65,557	76,807
		<u>710,991</u>	<u>844,041</u>	<u>729,635</u>	<u>890,624</u>
Current assets					
Debtors	12	6,189,291	4,332,713	4,661,187	2,383,643
Cash at bank and in hand		1,549,715	2,277,218	1,207,679	1,948,704
		<u>7,739,006</u>	<u>6,609,931</u>	<u>5,868,866</u>	<u>4,332,347</u>
Creditors: amounts falling due within one year	13	(7,889,226)	(6,894,433)	(5,940,883)	(4,553,313)
Net current liabilities		<u>(150,220)</u>	<u>(284,502)</u>	<u>(72,017)</u>	<u>(220,966)</u>
Total assets less current liabilities		560,771	559,539	657,618	669,658
Provisions for liabilities and charges	14	(8,157)	(12,298)	(8,157)	(12,298)
		<u>552,614</u>	<u>547,241</u>	<u>649,461</u>	<u>657,360</u>
Capital and reserves					
Called up share capital	16	50,001	50,001	50,001	50,001
Profit and loss account	17	498,545	495,873	599,460	607,359
Shareholders' funds - equity interests	19	548,546	545,874	649,461	657,360
Minority interests	18	4,068	1,367	-	-
		<u>552,614</u>	<u>547,241</u>	<u>649,461</u>	<u>657,360</u>

The financial statements were approved by the board on 14th December 2006

Director

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2005

	2005		2004	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(587,503)		1,425,680
Returns on investments and servicing of finance				
Interest received	32,085		18,441	
Interest paid	(5,203)		(7,271)	
Net cash inflow for returns on investments and servicing of finance		26,882		11,170
Taxation		(11,591)		(13,256)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(97,025)		(225,921)	
Payments to acquire investments	(41)		(5,625)	
Receipts from sales of tangible assets	144,833		11,201	
Receipts from sales of investments	12,273		-	
Net cash inflow/(outflow) for capital expenditure		60,040		(220,345)
Equity dividends paid		(214,062)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(726,234)		1,203,249
Management of liquid resources				
Bank deposits	-		4,150	
		-		4,150
Decrease in cash in the year		(726,234)		1,207,399

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2005

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2005	2004
		£	£
	Operating profit	240,490	172,687
	Depreciation of tangible assets	67,260	55,526
	Loss on disposal of tangible assets	6,773	16,990
	(Increase)/decrease in debtors	(1,856,578)	849,178
	Increase in creditors within one year	957,977	333,257
	Net effect of foreign exchange differences	(3,425)	(1,958)
	Net cash (outflow)/inflow from operating activities	(587,503)	1,425,680

2	Analysis of net funds	1 December 2004	Cash flow	Other non-cash changes	30 November 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,277,218	(727,503)	-	1,549,715
	Bank overdrafts	(1,269)	1,269	-	-
		<u>2,275,949</u>	<u>(726,234)</u>	<u>-</u>	<u>1,549,715</u>
	Debts falling due within one year	(320,000)	-	-	(320,000)
	Net funds	<u>1,955,949</u>	<u>(726,234)</u>	<u>-</u>	<u>1,229,715</u>

3	Reconciliation of net cash flow to movement in net debt	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(726,234)	1,207,399
	Cash (outflow)/inflow from (increase)/decrease in liquid resources	-	(4,150)
	Movement in net funds in the year	(726,234)	1,203,249
	Opening net funds	1,955,949	752,700
	Closing net funds	1,229,715	1,955,949

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2005

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 2005.

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 are stated at cost less depreciation.

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years. Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

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

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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

1 Accounting policies

(continued)

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.

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:

	2005 £	2004 £
Geographical segment		
United Kingdom	13,685,216	21,682,997
Europe	13,349,588	9,999,095
Rest of World	10,482,484	7,787,367
	<u>37,517,288</u>	<u>39,469,459</u>

3 Operating profit

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation of tangible assets	64,230	55,526
Loss on disposal of tangible assets	6,773	16,990
Loss on foreign exchange transactions	1,215	-
Operating lease rentals	110,587	87,940
Auditors' remuneration (company £13,200; 2004: £14,600)	13,200	14,600
Remuneration of auditors for non-audit work	6,621	6,939
and after crediting:		
Rents receivable	(14,079)	-
Profit on foreign exchange transactions	(7,370)	(9,735)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

4	Investment income	2005	2004
		£	£
	Profit on disposal of unlisted investments	1,023	-
		<u> </u>	<u> </u>
5	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	5,203	7,271
		<u> </u>	<u> </u>
6	Taxation		
		£	£
	Domestic current year tax		
	U.K. corporation tax	83,934	11,564
		<u> </u>	<u> </u>
	Current tax charge	83,934	11,564
	Deferred tax		
	Deferred tax charge/credit current year	(4,141)	8,733
		<u> </u>	<u> </u>
		79,793	20,297
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	263,591	183,857
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	79,077	55,157
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	14,263	13,798
	Depreciation add back	16,371	21,318
	Capital allowances	(20,768)	(23,962)
	Foreign tax adjustments	(5,009)	(47,960)
	Other tax adjustments	-	(6,787)
		<u> </u>	<u> </u>
		4,857	(43,593)
		<u> </u>	<u> </u>
	Current tax charge	83,934	11,564
		<u> </u>	<u> </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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

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:

	2005 £	2004 £
Holding company's profit for the financial year	167,101	266,088

8 Dividends

	2005 £	2004 £
Ordinary final proposed	175,000	225,000

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

9 Tangible fixed assets

Group

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2004	130,033	341,953	252,007	723,993
Additions	-	77,775	19,250	97,025
Disposals	(130,033)	(9,216)	(45,964)	(185,213)
At 30 November 2005	-	410,512	225,293	635,805
Depreciation				
At 1 December 2004	-	209,727	138,640	348,367
On disposals	-	(7,433)	(26,174)	(33,607)
Charge for the year	-	39,600	27,660	67,260
At 30 November 2005	-	241,894	140,126	382,020
Net book value				
At 30 November 2005	-	168,618	85,167	253,785
At 30 November 2004	130,033	132,226	113,367	375,626

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

Tangible fixed assets (continued)

Company

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2004	130,033	318,856	252,007	700,896
Additions	-	37,186	19,250	56,436
Disposals	(130,033)	(9,216)	(45,964)	(185,213)
At 30 November 2005	-	346,826	225,293	572,119
Depreciation				
At 1 December 2004	-	193,232	138,640	331,872
On disposals	-	(7,433)	(26,174)	(33,607)
Charge for the year	-	26,909	27,660	54,569
At 30 November 2005	-	212,708	140,126	352,834
Net book value				
At 30 November 2005	-	134,118	85,167	219,285
At 30 November 2004	130,033	125,624	113,367	369,024

The leasehold interest was transferred to SCI HPMN, a special purpose company established in France for the purpose of owning the property.

10 Tangible fixed assets Investment properties

	Group £	Company £
Cost		
At 1 December 2004 & at 30 November 2005	444,793	444,793
Depreciation		
At 1 December 2004 & at 30 November 2005	-	-
Net book value		
At 30 November 2005	444,793	444,793
At 30 November 2004	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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

11 Fixed asset investments Group

	Listed investments	Unlisted investments	Shares in participating interests	Total
	£	£	£	£
Cost				
At 1 December 2004	2,372	21,250	-	23,622
Additions	-	-	41	41
Disposals	-	(11,250)	-	(11,250)
At 30 November 2005	2,372	10,000	41	12,413
At 30 November 2004	2,372	21,250	-	23,622

	Market value	Directors' valuation	Total
	£	£	£
At 30 November 2005	3,828	10,000	13,828
At 30 November 2004	3,668	21,250	24,918

11 Fixed asset investments Company

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 December 2004	2,372	21,250	53,185	76,807
Disposals	-	(11,250)	-	(11,250)
At 30 November 2005	2,372	10,000	53,185	65,557
At 30 November 2004	2,372	21,250	53,185	76,807

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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

(continued)

	Market value	Directors' valuation	Total
	£	£	£
At 30 November 2005	3,828	10,000	13,828
At 30 November 2004	3,668	21,250	24,918

Holdings of more than 20%

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

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
Hunt et Palmer Voyages S.A.R.L.	France	Ordinary	70
Participating interests			
S.C.I HPMN	France	Ordinary	30
Other significant interests			
Driven Worldwide Limited	G.B.	Ordinary	33

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 (France) S.A.R.L.	Air brokers
Hunt & Palmer PTY Ltd	Air brokers
Hunt et Palmer Voyages S.A.R.L.	Travel Agents
S.C.I HPMN	Property Company

The group's investment in Hunt et Palmer Voyages S.A.R.L. and S.C.I. HPMN is held via Hunt and Palmer (France) S.A.R.L.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

12 Debtors

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	3,967,872	3,233,261	2,454,940	1,335,561
Amounts owed by group undertakings	-	-	238,254	238,254
Amounts owed by participating interests	67,652	-	-	-
Other debtors	90,761	97,607	63,987	70,609
Prepayments and accrued income	2,063,006	1,001,845	1,904,006	739,219
	<u>6,189,291</u>	<u>4,332,713</u>	<u>4,661,187</u>	<u>2,383,643</u>

13 Creditors : amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	320,000	321,269	320,000	320,000
Trade creditors	3,763,686	2,088,662	3,310,796	1,987,912
Corporation tax	83,907	11,564	83,907	11,564
Taxes and social security costs	110,507	70,248	53,131	48,562
Directors current accounts	37,500	-	37,500	-
Other creditors	4,409	1,371	-	-
Accruals and deferred income	3,383,279	4,176,319	1,949,611	1,960,275
Proposed dividend	185,938	225,000	185,938	225,000
	<u>7,889,226</u>	<u>6,894,433</u>	<u>5,940,883</u>	<u>4,553,313</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 2005

14 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 December 2004	12,298
Profit and loss account	(4,141)
Balance at 30 November 2005	8,157

Company

Balance at 1 December 2004	12,298
Profit and loss account	(4,141)
Balance at 30 November 2005	8,157

The deferred tax liability is made up as follows:

	Group 2005 £	2004 £	Company 2005 £	2004 £
Accelerated capital allowances	8,157	12,298	8,157	12,298

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 £29,370 (2004 £153,000). All contributions were paid in the year.

16 Share capital

	2005 £	2004 £
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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

17 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 December 2004	495,873
Retained profit for the year	6,097
Foreign currency translation differences	(3,425)
Balance at 30 November 2005	<u>498,545</u>

Company

	Profit and loss account £
Balance at 1 December 2004	607,359
Retained loss for the year	(7,899)
Balance at 30 November 2005	<u>599,460</u>

18 Minority interests

	2005 £	2004 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	4,068	1,367
	<u>4,068</u>	<u>1,367</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

19 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Group		
Profit for the financial year	181,097	162,193
Dividends	(175,000)	(225,000)
	<u>6,097</u>	<u>(62,807)</u>
Other recognised gains and losses	(3,425)	(1,958)
	<u>2,672</u>	<u>(64,765)</u>
Net addition to/(depletion in) shareholders' funds	545,874	610,639
Opening shareholders' funds	<u>548,546</u>	<u>545,874</u>
Closing shareholders' funds	<u>548,546</u>	<u>545,874</u>
	2005	2004
Company	£	£
Profit for the financial year	167,101	266,088
Dividends	(175,000)	(225,000)
	<u>(7,899)</u>	<u>41,088</u>
Net (depletion in)/addition to shareholders' funds	657,360	616,272
Opening shareholders' funds	<u>649,461</u>	<u>657,360</u>
Closing shareholders' funds	<u>649,461</u>	<u>657,360</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

20 Financial commitments

At 30 November 2005 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Between two and five years	40,000	40,000
In over five years	69,650	43,500
	<u>109,650</u>	<u>83,500</u>

At 30 November 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Between two and five years	40,000	40,000
In over five years	43,500	43,500
	<u>83,500</u>	<u>83,500</u>

21 Directors' emoluments

	2005	2004
	£	£
Emoluments for qualifying services	345,915	551,747
Company pension contributions to money purchase schemes	29,370	159,000
	<u>375,285</u>	<u>710,747</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2004- 3).

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

Emoluments for qualifying services	96,105	188,788
Company pension contributions to money purchase schemes	23,370	35,000
	<u>119,475</u>	<u>223,788</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2005

22 Employees

Number of employees

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

	2005 Number	2004 Number
Administration and sales	48	38

Employment costs

	2005 £	2004 £
Wages and salaries	1,730,196	1,690,115
Social security costs	283,817	245,405
Other pension costs	33,420	159,000
	2,047,433	2,094,520

23 Control

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

24 Related party transactions

Company

Included in trade creditors is a balance of £1,110 (2004: £86) relating to Driven Worldwide Ltd. Hunt and Palmer has a material interest in this company and provides them with accounting and office support services for which £18,000 was billed during the year.

Included in trade creditors is £20,663 (2004: £424) 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 £34,897 during the year.

During the year the company paid rent of £43,500 (2004: £43,500) to The Hunt & Palmer PLC Retirement Benefit Scheme, a scheme which is under the control of the directors.

During the year a car with a Net Book Value of £7,183 was sold for £6,000 to the son of a director.