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Company Registration No. 2027063 (England and Wales)

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

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HUNT AND PALMER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2006

The directors present their report and financial statements for the year ended 30 November 2006

Directors

The following directors have held office since 1 December 2005

P R Hunt

J S Martin

J F Palmer

Principal activities and review of the business

The core business of the Company is that of aircraft charter broker, providing bespoke private chartered aircraft solutions for a portfolio of clients including a number of blue chip corporate organisations, high net worth individuals, conference and incentive businesses and government departments both in the UK and international marketplace

Throughout 2006, the Company has progressed steadily towards its primary objectives of increased market share in pre-determined sectors, development of new business strands and joint venture projects and further investment in our overseas offices, notably the Far East with the opening of offices in Mumbai (India), Hong Kong and Singapore and further reflected in the continued growth of the Company's operations in Australia

Overall the Directors are satisfied that the Company is presently on track to achieving the target objectives shown in the current 5 year business plan and are confident that 2007 will show further revenue growth in keeping with their projections

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2006

The company has agreed the following KPI's which will be used to measure the Company's performance during the forthcoming financial year

Financial

Operating margin will continue to be an important measure of the Company's financial performance. During 2006 the Company management have carried out a review of all the Company's divisions to ensure that the operating costs are within the accepted parameters

Customers

The company considers this in two parts, customer retention and customer acquisition

Traditionally the Company has an excellent record of customer retention and the Company intends that this will continue. Both financial and human resources have been allocated to ensure that this is maintained

New client acquisition is an important indicator of the Company's growth and the Company has identified that further strategic investment needs to be made in order to increase the present customer acquisition rate and resources have already been allocated for this purpose

Employees

The Company is proud of the relationship that is enjoyed with its employees and the low level of staff turnover is seen as an indicator of employee satisfaction. The Company holds Investor in People (IIP) accreditation and this standard provides a framework of communication with the work force, assist in the identification of training needs against the Company's 5 year plan and acts as a measure of employee involvement. The IIP accreditation will be reviewed during 2007

The Company has a Graduate Training scheme and during the financial year an additional place has been allocated and a further graduate placed within the organisation. Continual review of the students' progress is undertaken to assess the viability and success of the scheme

During the forthcoming financial year the Company expects to make several appointments, including at least one at a senior level and funds have been allocated for this

Results and dividends

The consolidated profit and loss account for the year is set out on page 7

The directors do not recommend payment of an ordinary dividend

Financial Instruments

The company uses financial instruments comprising borrowings and various net working capital items such as trade debtors and trade creditors to finance operations not funded by way of equity. The main risks identified with using these financial instruments is the management of cash flow and exposure to interest rate fluctuations

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2006

Charitable donations

	2006 £	2005 £
During the year the group made the following payments		
Charitable donations	367	7,676

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 2006 was 27 (2005 35 days)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Goodman Jones LLP 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 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

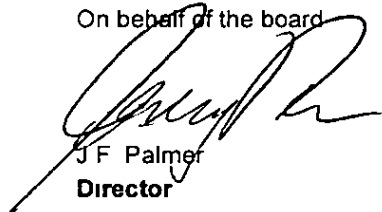
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



J F Palmer
Director

9 August 2007

HUNT AND PALMER PLC

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF HUNT AND PALMER PLC

We have audited the group and parent company financial statements ("the financial statements") of Hunt and Palmer PLC for the year ended 30 November 2006 set out on pages 7 to 26. These financial statements have been prepared under 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

HUNT AND PALMER PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF HUNT AND PALMER PLC

Opinion

in our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and the group's affairs as at 30 November 2006 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements


Goodman Jones LLP

9/8/07

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 2006

		2006	2005
	Notes	£	as restated £
Turnover	2	41,595,674	37,517,288
Cost of sales		(36,977,598)	(33,846,007)
Gross profit		4,618,076	3,671,281
Administrative expenses		(4,586,535)	(3,444,974)
Other operating income		25,314	14,183
Operating profit	3	56,855	240,490
Income from interests in associated undertakings		4,434	(4,804)
Investment income	4	-	1,023
Other interest receivable and similar income		38,686	32,085
Interest payable and similar charges	5	(6,976)	(5,203)
Profit on ordinary activities before taxation		92,999	263,591
Tax on profit on ordinary activities	6	(43,666)	(79,793)
Profit on ordinary activities after taxation		49,333	183,798
Minority interests		(8,283)	(2,701)
Profit for the financial year	19	41,050	181,097

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 2006

	2006	2005
	£	as restated £
Profit for the financial year	49,333	183,798
Currency translation differences on foreign currency net investments	(28,260)	(3,425)
Total recognised gains and losses relating to the year	<u>21,073</u>	<u>180,373</u>

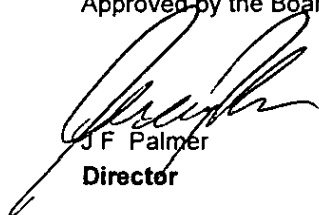
HUNT AND PALMER PLC

BALANCE SHEETS

AS AT 30 NOVEMBER 2006

	Notes	Group 2006 £	2005 as restated £	Company 2006 £	2005 as restated £
Fixed assets					
Tangible assets	10 and 11	697,924	698,578	665,526	664,078
Investments	12	12,413	12,413	66,238	65,557
		<u>710,337</u>	<u>710,991</u>	<u>731,764</u>	<u>729,635</u>
Current assets					
Debtors	13	6,198,282	6,189,291	4,425,367	4,661,187
Investments	14	126,638	-	-	-
Cash at bank and in hand		1,495,800	1,549,715	1,196,353	1,207,679
		<u>7,820,720</u>	<u>7,739,006</u>	<u>5,621,720</u>	<u>5,868,866</u>
Creditors: amounts falling due within one year	15	(7,944,569)	(7,703,288)	(5,645,441)	(5,754,945)
Net current (liabilities)/assets		<u>(123,849)</u>	<u>35,718</u>	<u>(23,721)</u>	<u>113,921</u>
Total assets less current liabilities		<u>586,488</u>	<u>746,709</u>	<u>708,043</u>	<u>843,556</u>
Provisions for liabilities	16	(12,801)	(8,157)	(12,801)	(8,157)
		<u>573,687</u>	<u>738,552</u>	<u>695,242</u>	<u>835,399</u>
Capital and reserves					
Called up share capital	18	50,001	50,001	50,001	50,001
Profit and loss account	19	511,335	684,483	645,241	785,398
Shareholders' funds	21	<u>561,336</u>	<u>734,484</u>	<u>695,242</u>	<u>835,399</u>
Minority interests	20	12,351	4,068	-	-
		<u>573,687</u>	<u>738,552</u>	<u>695,242</u>	<u>835,399</u>

Approved by the Board and authorised for issue on 9 August 2007


J F Palmer
Director

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2006

	£	2006 £	£	2005 £
Net cash inflow/(outflow) from operating activities		390,568		(587,503)
Returns on investments and servicing of finance				
Interest received	38,686		32,085	
Interest paid	(6,976)		(5,203)	
Net cash inflow for returns on investments and servicing of finance		31,710		26,882
Taxation		(83,350)		(11,591)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(75,532)		(97,025)	
Payments to acquire investments	(12,435)		(41)	
Receipts from sales of tangible assets	7,700		144,833	
Receipts from sales of investments	-		12,273	
Net cash (outflow)/inflow for capital expenditure		(80,267)		60,040
Equity dividends paid		(185,938)		(214,062)
Net cash inflow/(outflow) before management of liquid resources and financing		72,723		(726,234)
Management of liquid resources				
Current asset investments	(126,638)		-	
		(126,638)		-
Financing				
Net cash (outflow)/inflow from financing		-		-
(Decrease)/increase in cash in the year		(53,915)		(726,234)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2006

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2006		2005	
		£		£	
	Operating profit	56,855		240,490	
	Depreciation of tangible assets	67,774		67,260	
	Amortisation of intangible assets	12,435		-	
	Loss on disposal of tangible assets	712		6,773	
	Increase in debtors	(8,991)		(1,856,578)	
	Increase in creditors within one year	290,043		957,977	
	Net effect of foreign exchange differences	(28,260)		(3,425)	
	Net cash inflow/(outflow) from operating activities	390,568		(587,503)	
2	Analysis of net funds	1 December 2005	Cash flow	Other non-cash changes	30 November 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,549,715	(53,915)	-	1,495,800
	Liquid resources				
	Current asset investments	-	126,638	-	126,638
	Debts falling due within one year	(320,000)	-	-	(320,000)
	Net funds	1,229,715	72,723	-	1,302,438
3	Reconciliation of net cash flow to movement in net debt	2006		2005	
		£		£	
	Decrease in cash in the year	(53,915)		(726,234)	
	Cash outflow from increase in liquid resources	126,638		-	
	Movement in net funds in the year	72,723		(726,234)	
	Opening net funds	1,229,715		1,955,949	
	Closing net funds	1,302,438		1,229,715	

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Changes in accounting policies

Following a change in Company Law and the introduction of FRS 21-"Events after the Balance Sheet date", proposed dividends are no longer to be recognised as a liability at the balance sheet date. Accordingly the comparative figures for 2005 have been restated to reflect this change. The profit for the financial year 2005 remains unchanged from that previously disclosed at £181,097 and "Creditors amounts due within one year" no longer include a liability for proposed dividends of £185,938.

1.3 Compliance with accounting standards

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

1.4 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 2006.

1.5 Associated undertakings

The group's share of profits less losses of associated undertakings is included in the consolidated profit and loss account, and the group's share of their net assets is included in the consolidated balance sheet.

1.6 Turnover

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

1.7 Goodwill

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

1.8 Tangible fixed assets and depreciation

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

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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

1 Accounting policies

(continued)

1.9 Leasing

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

1.10 Investments

Fixed asset investments are stated at cost less provision for diminution in value
Current asset investments are stated at the lower of cost and net realisable value

1.11 Pensions

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

1.12 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

1.13 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

	2006 £	2005 £
Geographical segment		
United Kingdom	14,460,471	13,685,216
Europe	14,967,437	13,349,588
Rest of World	12,167,766	10,482,484
	<u>41,595,674</u>	<u>37,517,288</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

3 Operating profit	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation of intangible assets	12,435	-
Depreciation of tangible assets	67,774	64,230
Loss on disposal of tangible assets	712	6,773
Loss on foreign exchange transactions	43,512	1,215
Operating lease rentals	(97,883)	110,587
Fees payable to the group's auditors - see below	25,603	22,121
and after crediting		
Rents receivable	25,314	14,079
Profit on foreign exchange transactions	-	(7,370)

Fees payable to the group's auditor comprises

Audit of the annual accounts	2006	20,600	17,120
	2005	3,767	-
Taxation services		390	370
Other services		846	4,631

The group's auditors were paid fees of £1,000 in 2006 and 2005 in respect of the audit of the group's associated pension scheme

4 Investment income	2006	2005
	£	£
Income from fixed asset investments	-	1,023

5 Interest payable	2006	2005
	£	£
On bank loans and overdrafts	6,976	5,203

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

6	Taxation	2006 £	2005 £
	Domestic current year tax		
	U K corporation tax	39,579	83,934
	Adjustment for prior years	(557)	-
	Current tax charge	39,022	83,934
	Deferred tax		
	Deferred tax charge/credit current year	4,644	(4,141)
		43,666	79,793
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	92,999	263,591
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	27,900	79,077
	Effects of		
	Non deductible expenses	26,500	14,263
	Depreciation add back	17,397	16,371
	Capital allowances	(20,184)	(20,768)
	Foreign tax adjustments	(9,377)	(5,009)
	Adjustments to previous periods	(557)	-
	Other tax adjustments	(2,657)	-
		11,122	4,857
	Current tax charge	39,022	83,934

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. At the balance sheet date the group has unutilised overseas tax losses of £106,059 carried forward.

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:

	2006 £	2005 £
Holding company's profit for the financial year	45,781	167,101

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

8	Dividends	2006	2005
		£	£
	Ordinary interim paid	185,938	214,062
		<u> </u>	<u> </u>
9	Intangible fixed assets		
	Group		
			Goodwill
			£
	Cost		
	At 1 December 2005		-
	Additions		12,435
			<u> </u>
	At 30 November 2006		12,435
			<u> </u>
	Amortisation		
	At 1 December 2005		-
	Charge for the year		12,435
			<u> </u>
	At 30 November 2006		12,435
			<u> </u>
	Net book value		
	At 30 November 2006		-
			<u> </u>
	At 30 November 2005		-
			<u> </u>
	Intangible fixed assets (continued)		
	Company		
			Goodwill
			£
	Cost		
	At 1 December 2005		-
	Additions		12,435
			<u> </u>
	At 30 November 2006		12,435
			<u> </u>
	Amortisation		
	At 1 December 2005		-
	Charge for the year		12,435
			<u> </u>
	At 30 November 2006		12,435
			<u> </u>
	Net book value		
	At 30 November 2006		-
			<u> </u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

10 Tangible fixed assets Group

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 December 2005	410,512	225,293	635,805
Additions	57,245	18,287	75,532
Disposals	(96)	(35,783)	(35,879)
At 30 November 2006	467,661	207,797	675,458
Depreciation			
At 1 December 2005	241,894	140,126	382,020
On disposals	-	(27,467)	(27,467)
Charge for the year	45,337	22,437	67,774
At 30 November 2006	287,231	135,096	422,327
Net book value			
At 30 November 2006	180,430	72,701	253,131
At 30 November 2005	168,618	85,167	253,785

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

Tangible fixed assets (continued) Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 December 2005	346,826	225,293	572,119
Additions	48,623	18,287	66,910
Disposals	-	(35,783)	(35,783)
At 30 November 2006	395,449	207,797	603,246
Depreciation			
At 1 December 2005	212,708	140,126	352,834
On disposals	-	(27,467)	(27,467)
Charge for the year	34,709	22,437	57,146
At 30 November 2006	247,417	135,096	382,513
Net book value			
At 30 November 2006	148,032	72,701	220,733
At 30 November 2005	134,118	85,167	219,285

11 Tangible fixed assets Investment properties

	Group £	Company £
Cost		
At 1 December 2005 & at 30 November 2006	444,793	444,793
Depreciation		
At 1 December 2005 & at 30 November 2006	-	-
Net book value		
At 30 November 2006	444,793	444,793
At 30 November 2005	444,793	444,793

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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

12 Fixed asset investments Group

	Listed investments	Unlisted investments	Shares in participating interests	Total
	£	£	£	£
Cost				
At 30 November 2006	2,372	10,000	41	12,413
At 30 November 2005	2,372	10,000	41	12,413
	Market value	Directors' valuation		Total
	£	£		£
At 30 November 2006	7,291	10,000		17,291
At 30 November 2005	5,378	10,000		15,378

12 Fixed asset investments Company

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 December 2005	2,372	10,000	53,185	65,557
Additions	-	-	681	681
At 30 November 2006	2,372	10,000	53,866	66,238
At 30 November 2005	2,372	10,000	53,185	65,557

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

	Market value	Directors' valuation	Total
	£	£	£
At 30 November 2006	7,291	10,000	17,291
At 30 November 2005	5,379	10,000	15,379

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

12 Fixed asset investments

(continued)

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
Hunt & Palmer Hong Kong Ltd	Hong Kong	Ordinary	100
Air Charter Corporation Ltd	G B	Ordinary	100
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
Hunt & Palmer Hong Kong Ltd	Air Brokers
Air Charter Corporation Ltd	Dormant
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

13 Debtors

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	4,613,505	3,967,872	2,963,347	2,454,940
Amounts owed by group undertakings	-	-	357,480	238,254
Amounts owed by participating interests	-	67,652	-	-
Other debtors	144,064	90,761	55,289	63,987
Prepayments and accrued income	1,440,713	2,063,006	1,049,251	1,904,006
	<u>6,198,282</u>	<u>6,189,291</u>	<u>4,425,367</u>	<u>4,661,187</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

14 Current asset investments

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Other unlisted investments	126,638	-	-	-

15 Creditors : amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans and overdrafts	320,000	320,000	320,000	320,000
Trade creditors	3,609,486	3,763,686	2,770,799	3,310,796
Amounts owed to participating interests	27,884	-	-	-
Corporation tax	39,579	83,907	39,579	83,907
Taxes and social security costs	151,558	110,507	47,981	53,131
Directors current accounts	70,531	37,500	60,418	37,500
Other creditors	9,325	4,409	407	-
Accruals and deferred income	3,716,206	3,383,279	2,406,257	1,949,611
	7,944,569	7,703,288	5,645,441	5,754,945

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 2006

16 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 December 2005	8,157
Profit and loss account	4,644
	<u>12,801</u>
Balance at 30 November 2006	<u>12,801</u>

Company

Balance at 1 December 2005	8,157
Profit and loss account	4,644
	<u>12,801</u>
Balance at 30 November 2006	<u>12,801</u>

The deferred tax liability is made up as follows

	Group 2006 £	2005 £	Company 2006 £	2005 £
Accelerated capital allowances	<u>12,801</u>	<u>8,157</u>	<u>12,801</u>	<u>8,157</u>

17 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 £9,000 (2005 £29,370). All contributions were paid in the year.

18 Share capital

	2006 £	2005 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
50,001 Ordinary shares of £1 each	<u>50,001</u>	<u>50,001</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

19 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 December 2005	498,545
Prior year adjustment	185,938
Balance at 1 December 2005 as restated	684,483
Profit for the year	41,050
Foreign currency translation differences	(28,260)
Dividends paid	(185,938)
Balance at 30 November 2006	511,335

Company

	Profit and loss account £
Balance at 1 December 2005	599,460
Prior year adjustment	185,938
Balance at 1 December 2005 as restated	785,398
Profit for the year	45,781
Dividends paid	(185,938)
Balance at 30 November 2006	645,241

20 Minority interests

	2006 £	2005 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	12,351	4,068

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

21 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Group		
Profit for the financial year	41,050	181,097
Dividends	(185,938)	(214,062)
	(144,888)	(32,965)
Other recognised gains and losses	(28,260)	(3,425)
Net depletion in shareholders' funds	(173,148)	(36,390)
Opening shareholders' funds	734,484	770,874
Closing shareholders' funds	561,336	734,484
	2006	2005
Company	£	£
Profit for the financial year	45,781	167,101
Dividends	(185,938)	(214,062)
Net depletion in shareholders' funds	(140,157)	(46,961)
Opening shareholders' funds	835,399	882,360
Closing shareholders' funds	695,242	835,399

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

22 Financial commitments

At 30 November 2006 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2006 £
Expiry date	
In over five years	69,650
	<u>69,650</u>

At 30 November 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2006 £
Expiry date	
In over five years	43,500
	<u>43,500</u>

23 Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	448,070	345,915
Company pension contributions to money purchase schemes	9,000	29,370
	<u>457,070</u>	<u>375,285</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2005- 3)

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

Emoluments for qualifying services	138,793	96,105
Company pension contributions to money purchase schemes	3,000	23,370
	<u>141,793</u>	<u>119,475</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2006

24 Employees

Number of employees

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

	2006 Number	2005 Number
Administration and sales	54	48

Employment costs

	2006 £	2005 £
Wages and salaries	2,230,980	1,730,196
Social security costs	412,447	283,817
Other pension costs	15,450	33,420
	2,658,877	2,047,433

25 Control

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

26 Related party transactions

Company

Included in trade debtors is a balance of £82 (2005 Cr £1,110) relating to Driven Worldwide Ltd Hunt and Palmer has a material interest in this company

Included in trade debtors is £5,864 (2005 £20,663) 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 £46,107 (2005 £34,897) and received £5,964 (2005 £nil) during the year

During the year the company paid rent of £43,500 (2005 £43,500) to The Hunt & Palmer PLC Retirement Benefit Scheme, a scheme which is under the control of the directors