

Company Registration No. 2027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2007

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HUNT AND PALMER PLC

DIRECTORS AND ADVISERS

Directors	P.R. Hunt J.S. Martin J.F. Palmer
Secretary	M. Jenkinson
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 PERIOD ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the period ended 31 December 2007.

Directors

The following directors have held office since 1 December 2006:

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

Principal activities and review of the business

The Company's core business is that of aircraft charter brokers, offering bespoke air charter solutions to private individuals, corporate bodies, Government departments and NGO's. We enjoy an extensive and varied portfolio of blue chip clients many retained over a number of years.

Acknowledged internationally as a reputable provider of air travel services, the Company conducts its business around the world through a network of satellite offices and subsidiary companies and at the end of 2007 there were 14 such units across Europe, USA, the Middle East and Far East.

Unfortunately since the end of the 2007 financial year and up to the point at which this report has been written in late 2008, our independent trading entity in France has been closed after suffering irrecoverable losses during what has proven to be extremely difficult trading conditions in the second and third quarters and we expect that this will inevitably have some noticeable effect on the Company's financial position in 2008.

It must also be noted that the lateness of the Company filing its accounts for the financial year 2007 is as a direct consequence of that closure and the subsequent delay in receiving from the local administration key financial information required for us to consolidate our accounts. However this delay has also provide an opportunity for the Directors to submit within their report a much clearer view of the year ahead than might otherwise have been possible.

The Company's 5 year business plan (agreed in 2005) is one focusing on the longer term business development and market growth of the group. The financial results for 2007 were inline with our expectations and reflect the levels of investment being made in laying the foundations of this strategy.

In light of the dramatic and largely unexpected economic crisis now facing industry and commerce generally, the Directors have in co-operation with the Company's senior management undertaken a review of the current business plan and decided on several changes to the previously determined strategy for growth and development in favour of one providing scope for continuity and financial stability. It is the board's view that there will not be any realistic upturn in the global economy before late 2010 and that the Company must therefore conduct its business accordingly.

Looking ahead at the next 12 months the Directors forecast that trading in some of our traditional markets whilst still active will be significantly reduced, with business strands such as conference and incentive travel and pan-European product launch events being hardest hit as the global recession takes a firmer hold.

However we are confident that in other markets there will continue to be sufficient opportunities for us to trade effectively and we will be concentrating our efforts in those areas. This strategy will potentially see a larger percentage of our business being conducted outside of the UK and Western Europe.

The Directors are of the opinion that with a prudent yet sensible approach to our short to medium term business activity, the Company will be able to come through this expected difficult period in a good position to push further ahead with their longer term aspirations for the group.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

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

Financial

The Directors have initiated a budgetary review of the Company to ensure that operating costs are within acceptable parameters. Operating margins are key to the profitability of the Company and whilst the Directors accept that these will most likely be lower than previously expected, acceptable percentages of operating margin in key areas have been identified and returns will be monitored to ensure that the Company is meeting these targets.

Departmental budgets have been agreed with senior management who will retain P&L responsibility for those areas under their control. Budgets have been constructed using a flexible model and will be reviewed quarterly during the next financial period to ensure that the Company is on track to meet its financial targets.

Clients

The performance indicator in respect of this element is two part, client retention and client acquisition.

The Directors have always placed great importance on client retention and repeat business opportunities. In markets where growth is unlikely in the forthcoming period, retaining existing clients is key to maintaining market share and we will be monitoring our performance regularly to ensure that we achieve that goal.

As already stated elsewhere in this report, the Directors firmly believe that there will be new business created in certain areas and resources will be made available to exploit these opportunities. Such activity shall be closely monitored to ensure satisfactory return on our investment.

Employees

The Directors are proud of the relationship that the Company has with its employee's and encourage management to maintain and develop this.

The Company has a reputation for being a good and responsible employer and we enjoy higher levels of staff retention than the industry mean generally and with the average service of the senior management team being 9.2 years.

During 2007 the Company made 7 new appointments including senior posts and 4 brokers. There was 1 leaver in the same period.

The Company understands the importance and value of retaining the human resources in which it has invested and so operates training and development policies that encourage staff to develop their careers within the organisation.

The Company has held Investor in People accreditation since 2000 and the award was reviewed under the new standard in 2007. This has seen the Company introduce several new and enhanced management practices which are reviewed as part of the Company's internal audit process to ensure compliance and will be used as a performance indicator to measure our success in these areas.

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

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.

Charitable donations

	2007	2006
	£	£
During the period the group made the following payments:		
Charitable donations	91	367

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 2007 was 45 (2006: 27 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 PERIOD ENDED 31 DECEMBER 2007

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.

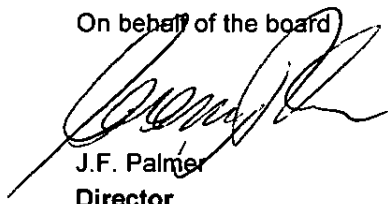
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding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

31 January 2009

HUNT AND PALMER PLC

INDEPENDENT AUDITOR'S 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 period ended 31 December 2007 set out on pages 7 to 28. 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 group's and the company'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 AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HUNT AND PALMER PLC

Opinion: disclaimer on view given by the consolidated financial statements only

The consolidated accounts include the results of Hunt Et Palmer Voyages SARL a company registered in France. The company was audited by SOFIDEEC Baker Tilly who issued a qualified report on 22 December 2008 which concluded that the annual financial statements had not been properly prepared in accordance with French accounting rules and principles and do not fairly present the results of the operations of the period reported on and the company's financial situation, assets and liabilities at the end of the period.

In view of the material impact that that company has on the results of the group we are for this reason unable to form an opinion as to whether the consolidated financial statements of Hunt and Palmer PLC:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2007 and of its loss for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Opinion: on view given by the parent company's own financial statements

In our opinion:

- the financial statements of Hunt and Palmer PLC, the company, give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2007 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- The information given in the director's report is consistent with the financial statements.



Goodman Jones LLP

Chartered Accountants
Registered Auditor

31 January 2009

29/30 Fitzroy Square
London W1T 6LQ

HUNT AND PALMER PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2007

		Period ended 31 December 2007 £	30 November 2006 £
	Notes		
Turnover		47,166,843	41,595,674
Cost of sales		(42,107,400)	(36,977,598)
Gross profit		5,059,443	4,618,076
Administrative expenses		(5,153,951)	(4,586,535)
Other operating income		2,580	25,314
Operating (loss)/profit	3	(91,928)	56,855
Income from interests in associated undertakings		(1,082)	4,434
Investment income	4	1,250	-
Other interest receivable and similar income		49,545	38,686
Interest payable and similar charges	5	(12,441)	(6,976)
(Loss)/profit on ordinary activities before taxation		(54,656)	92,999
Tax on (loss)/profit on ordinary activities	6	(39,808)	(43,666)
(Loss)/profit on ordinary activities after taxation		(94,464)	49,333
Minority interests		(6,257)	(8,283)
(Loss)/profit for the financial period	19	(100,721)	41,050

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 PERIOD ENDED 31 DECEMBER 2007

	Period ended 31 December 2007 £	30 November 2006 £
(Loss)/profit for the financial period	(94,464)	49,333
Currency translation differences on foreign currency net investments	(5,638)	(28,260)
Total recognised gains and losses relating to the period	(100,102)	21,073

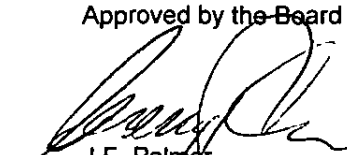
HUNT AND PALMER PLC

BALANCE SHEETS

AS AT 31 DECEMBER 2007

	Notes	Group 2007 £	2006 £	Company 2007 £	2006 £
Fixed assets					
Tangible assets	9 and 10	720,670	697,924	686,815	665,526
Investments	11	10,324	12,413	64,149	66,238
		<u>730,994</u>	<u>710,337</u>	<u>750,964</u>	<u>731,764</u>
Current assets					
Debtors	12	9,822,540	6,198,291	3,999,287	4,425,367
Investments	13	-	126,638	-	-
Cash at bank and in hand		1,304,001	1,495,800	404,800	1,196,353
		<u>11,126,541</u>	<u>7,820,720</u>	<u>4,404,087</u>	<u>5,621,720</u>
Creditors: amounts falling due within one year	14	(11,360,220)	(7,944,569)	(4,384,009)	(5,645,441)
Net current liabilities		<u>(233,679)</u>	<u>(123,849)</u>	<u>20,078</u>	<u>(23,721)</u>
Total assets less current liabilities		<u>497,315</u>	<u>586,488</u>	<u>771,042</u>	<u>708,043</u>
Creditors: amounts falling due after more than one year	15	(14,680)	-	(14,680)	-
Provisions for liabilities	16	(9,050)	(12,801)	(9,050)	(12,801)
		<u>473,585</u>	<u>573,687</u>	<u>747,312</u>	<u>695,242</u>
Capital and reserves					
Called up share capital	18	50,001	50,001	50,001	50,001
Profit and loss account	19	404,976	511,335	697,311	645,241
Shareholders' funds	21	<u>454,977</u>	<u>561,336</u>	<u>747,312</u>	<u>695,242</u>
Minority interests	20	18,608	12,351	-	-
		<u>473,585</u>	<u>573,687</u>	<u>747,312</u>	<u>695,242</u>

Approved by the Board and authorised for issue on 31 January 2009


J.F. Palmer
Director

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2007

	Period ended 31 December 2007		30 November 2006	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(520,600)		390,568
Returns on investments and servicing of finance				
Interest received	49,545		38,686	
Interest paid	(12,441)		(6,976)	
Dividends received	1,250		-	
Net cash inflow for returns on investments and servicing of finance		38,354		31,710
Taxation		(39,661)		(83,350)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(80,909)		(75,532)	
Payments to acquire investments	-		(12,435)	
Receipts from sales of tangible assets	41,214		7,700	
Receipts from sales of investments	2,089		-	
Net cash outflow for capital expenditure		(37,606)		(80,267)
Equity dividends paid		-		(185,938)
Net cash (outflow)/inflow before management of liquid resources and financing		(559,513)		72,723
Management of liquid resources				
Current asset investments	126,638		(126,638)	
		126,638		(126,638)
Financing				
Capital element of hire purchase contracts	(7,346)		-	
Net cash outflow from financing		(7,346)		-
Decrease in cash in the period		(440,221)		(53,915)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2007	2006
		£	£
	Operating (loss)/profit	(91,928)	56,855
	Depreciation of tangible assets	76,452	67,774
	Amortisation of intangible assets	-	12,435
	Profit/(loss) on disposal of tangible assets	(26,871)	712
	Increase in debtors	(3,624,258)	(8,991)
	Increase in creditors within one year	3,151,643	290,043
	Net effect of foreign exchange differences	(5,638)	(28,260)
	Net cash (outflow)/inflow from operating activities	(520,600)	390,568

2	Analysis of net funds	1 December 2006	Cash flow	Other non-cash changes	31 December 2007
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,495,800	(191,799)	-	1,304,001
	Bank overdrafts	-	(248,422)	-	(248,422)
		<u>1,495,800</u>	<u>(440,221)</u>	<u>-</u>	<u>1,055,579</u>
	Liquid resources:				
	Current asset investments	126,638	(126,638)	-	-
	Finance leases	-	7,346	(32,632)	(25,286)
	Debts falling due within one year	(320,000)	-	-	(320,000)
		<u>(320,000)</u>	<u>7,346</u>	<u>(32,632)</u>	<u>(345,286)</u>
	Net funds	<u>1,302,438</u>	<u>(559,513)</u>	<u>(32,632)</u>	<u>710,293</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

3	Reconciliation of net cash flow to movement in net debt	2007 £	2006 £
	Decrease in cash in the period	(440,221)	(53,915)
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(126,638)	126,638
	Cash outflow from decrease in debt	7,346	-
	Change in net debt resulting from cash flows	(559,513)	72,723
	New finance lease	(32,632)	-
	Movement in net funds in the period	(592,145)	72,723
	Opening net funds	1,302,438	1,229,715
	Closing net funds	710,293	1,302,438

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2007

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 31 December 2007.

1.4 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.

1.5 Turnover

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

1.6 Goodwill

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

1.7 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:

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.

1.8 Leasing and hire purchase commitments

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

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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

1 Accounting policies

(continued)

1.9 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.

1.10 Pensions

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

1.11 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.

1.12 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.

1.13 Comparative

The comparative figures represent a 12 month accounting year ending 30th November 2006.

2 Turnover

The total turnover of the group for the period 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:

	2007 £	2006 £
Geographical segment		
United Kingdom	17,057,437	14,460,471
Europe	16,848,272	14,967,437
Rest of World	13,261,134	12,167,766
	<u>47,166,843</u>	<u>41,595,674</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

3	Operating loss	2007	2006
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets	-	12,435
	Depreciation of tangible assets	76,279	67,774
	Loss on disposal of tangible assets	-	712
	Loss on foreign exchange transactions	69,733	43,512
	Operating lease rentals	118,857	97,883
	Auditors' remuneration:		
	The audit of the company's annual accounts for current year	25,000	20,600
	Under provision in respect of previous year's audit	15,000	3,767
	Tax services	410	390
	Other services	11,238	846
	and after crediting:		
	Profit on disposal of tangible assets	(26,871)	-
		<u></u>	<u></u>
4	Investment income	2007	2006
		£	£
	Income from fixed asset investments	1,250	-
		<u></u>	<u></u>
5	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	10,441	6,976
	Hire purchase interest	2,000	-
		<u></u>	<u></u>
		12,441	6,976
		<u></u>	<u></u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

6	Taxation	2007 £	2006 £
	Domestic current year tax		
	U.K. corporation tax	31,106	39,579
	Adjustment for prior years	-	(557)
	Tax credits on franked investment income	83	-
		<u>31,189</u>	<u>39,022</u>
	Foreign corporation tax		
	Foreign corporation tax	12,370	-
		<u>12,370</u>	<u>-</u>
	Current tax charge	<u>43,559</u>	<u>39,022</u>
	Deferred tax		
	Deferred tax charge/credit current year	(3,751)	4,644
		<u>39,808</u>	<u>43,666</u>
	Factors affecting the tax charge for the period		
	(Loss)/profit on ordinary activities before taxation	<u>(54,656)</u>	<u>92,999</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>(16,397)</u>	<u>27,900</u>
	Effects of:		
	Non deductible expenses	22,387	26,500
	Depreciation add back	8,565	17,397
	Capital allowances	(20,731)	(20,184)
	Foreign tax adjustments	52,619	(9,377)
	Adjustments to previous periods	-	(557)
	Dividends and distributions received	(375)	-
	Other tax adjustments	(2,509)	(2,657)
		<u>59,956</u>	<u>11,122</u>
	Current tax charge	<u>43,559</u>	<u>39,022</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

7 Profit for the financial period

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 period is made up as follows:

	2007 £	2006 £
Holding company's profit for the financial period	52,070	45,781

8 Dividends

	2007 £	2006 £
Ordinary interim paid	-	185,938

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

9 Tangible fixed assets Group

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 December 2006	467,724	207,797	675,521
Additions	41,435	52,737	94,172
Disposals	-	(55,440)	(55,440)
At 31 December 2007	509,159	205,094	714,253
Depreciation			
At 1 December 2006	287,254	135,097	422,351
On disposals	-	(41,097)	(41,097)
Charge for the period	52,793	23,659	76,452
At 31 December 2007	340,047	117,659	457,706
Net book value			
At 31 December 2007	169,112	87,435	256,547
At 30 November 2006	180,430	72,701	253,131

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 31 December 2007	-	30,215	30,215
Depreciation charge for the period			
31 December 2007	-	6,043	6,043

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

Tangible fixed assets (continued) Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 December 2006	395,449	207,797	603,246
Additions	18,989	52,737	71,726
Disposals	-	(55,440)	(55,440)
At 31 December 2007	414,438	205,094	619,532
Depreciation			
At 1 December 2006	247,417	135,097	382,514
On disposals	-	(41,097)	(41,097)
Charge for the period	31,764	23,659	55,423
At 31 December 2007	279,181	117,659	396,840
Net book value			
At 31 December 2007	135,257	87,435	222,692
At 30 November 2006	148,032	72,701	220,733

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 31 December 2007	-	30,215	30,215
Depreciation charge for the period			
31 December 2007	-	6,043	6,043

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

10 Tangible fixed assets		
Investment properties	Group	Company
	£	£
Cost		
At 1 December 2006	444,793	444,793
Additions	19,330	19,330
At 31 December 2007	464,123	464,123
Depreciation		
At 1 December 2006 & at 31 December 2007	-	-
Net book value		
At 31 December 2007	464,123	464,123
At 30 November 2006	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 PERIOD ENDED 31 DECEMBER 2007

11 Fixed asset investments Group

	Listed investments	Unlisted investments	Shares in participating interests	Total
	£	£	£	£
Cost				
At 1 December 2006	2,372	10,000	41	12,413
Disposals	(89)	(2,000)	-	(2,089)
At 31 December 2007	2,283	8,000	41	10,324
Net book value				
At 31 December 2007	2,283	8,000	41	10,324
At 30 November 2006	2,372	10,000	41	12,413
	Market value	Directors' valuation		Total
	£	£		£
At 31 December 2007	-	-		-
At 30 November 2006	7,291	10,000		17,291

11 Fixed asset investments Company

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 December 2006	2,372	10,000	53,866	66,238
Disposals	(89)	(2,000)	-	(2,089)
At 31 December 2007	2,283	8,000	53,866	64,149
At 30 November 2006	2,372	10,000	53,866	66,238

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 31 December 2007	7,894	8,000	15,894
At 30 November 2006	7,291	10,000	17,291

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

11 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	40

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.

12 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	5,400,558	4,613,505	1,576,733	2,963,347
Amounts owed by group undertakings	-	-	533,669	357,480
Other debtors	756,882	144,064	60,368	55,289
Prepayments and accrued income	3,665,100	1,440,713	1,828,517	1,049,251
	<u>9,822,540</u>	<u>6,198,282</u>	<u>3,999,287</u>	<u>4,425,367</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

13 Current asset investments

	Group 2007 £	2006 £	Company 2007 £	2006 £
Other unlisted investments	-	126,638	-	-

14 Creditors : amounts falling due within one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Bank loans and overdrafts	568,422	320,000	553,116	320,000
Net obligations under finance lease and hire purchase contracts	10,606	-	10,606	-
Trade creditors	4,893,178	3,609,486	2,276,467	2,770,799
Amounts owed to participating interests	-	27,884	-	-
Corporation tax	43,477	39,579	31,106	39,579
Taxes and social security costs	359,125	151,558	64,414	47,981
Directors current accounts	10,113	70,531	-	60,418
Other creditors	636,372	9,325	(1,275)	407
Accruals and deferred income	4,838,927	3,716,206	1,449,575	2,406,257
	<u>11,360,220</u>	<u>7,944,569</u>	<u>4,384,009</u>	<u>5,645,441</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 PERIOD ENDED 31 DECEMBER 2007

15 Creditors : amounts falling due after more than one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Net obligations under finance leases and hire purchase agreements	14,680	-	14,680	-
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	12,461	-	12,461	-
Repayable between one and five years	15,522	-	15,522	-
	27,983	-	27,983	-
Finance charges and interest allocated to future accounting periods	(2,697)	-	(2,697)	-
	25,286	-	25,286	-
Included in liabilities falling due within one year	(10,606)	-	(10,606)	-
	14,680	-	14,680	-

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

16 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 December 2006	12,801
Profit and loss account	(3,751)
	<u>9,050</u>
Balance at 31 December 2007	<u>9,050</u>

Company

Balance at 1 December 2006	12,801
Profit and loss account	(3,751)
	<u>9,050</u>
Balance at 31 December 2007	<u>9,050</u>

The deferred tax liability is made up as follows:

	Group 2007 £	2006 £	Company 2007 £	2006 £
Accelerated capital allowances	<u>9,050</u>	<u>12,801</u>	<u>9,050</u>	<u>12,801</u>

17 Pension and other post-retirement benefit commitments

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 of £16335 (2006 £15,450) represents contributions payable by the company to the fund. £750 of contributions were unpaid at the year end.

18 Share capital

	2007 £	2006 £
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 PERIOD ENDED 31 DECEMBER 2007

19 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 December 2006	511,335
Loss for the period	(100,721)
Foreign currency translation differences	(5,638)
Balance at 31 December 2007	<u>404,976</u>

Company

	Profit and loss account £
Balance at 1 December 2006	645,241
Profit for the period	52,070
Balance at 31 December 2007	<u>697,311</u>

20 Minority interests

	2007 £	2006 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>18,608</u>	<u>12,351</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

21 Reconciliation of movements in shareholders' funds	2007	2006
Group	£	£
(Loss)/Profit for the financial period	(100,721)	41,050
Dividends	-	(185,938)
	<u>(100,721)</u>	<u>(144,888)</u>
Other recognised gains and losses	(5,638)	(28,260)
	<u>(106,359)</u>	<u>(173,148)</u>
Net depletion in shareholders' funds	(106,359)	(173,148)
Opening shareholders' funds	561,336	734,484
	<u>454,977</u>	<u>561,336</u>
	2007	2006
Company	£	£
Profit for the financial period	52,070	45,781
Dividends	-	(185,938)
	<u>52,070</u>	<u>(140,157)</u>
Net addition to/(depletion in) shareholders' funds	52,070	(140,157)
Opening shareholders' funds	695,242	835,399
	<u>747,312</u>	<u>695,242</u>

22 Financial commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
In over five years	<u>43,500</u>	<u>69,650</u>

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
In over five years	<u>43,500</u>	<u>43,500</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2007

23 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	532,966	448,070
Company pension contributions to money purchase schemes	9,750	9,000
	<u>542,716</u>	<u>457,070</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2006- 3).

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

Emoluments for qualifying services	189,638	138,793
Company pension contributions to money purchase schemes	<u>3,000</u>	<u>23,370</u>

24 Employees

Number of employees

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

	2007 Number	2006 Number
Administration and sales	<u>64</u>	<u>54</u>

Employment costs

	2007 £	2006 £
Wages and salaries	2,755,539	2,230,980
Social security costs	510,876	412,447
Other pension costs	16,335	15,450
	<u>3,282,750</u>	<u>2,658,877</u>

25 Control

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