

Company Registration No. 2027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

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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 YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

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 who continue to support us even during the present global economic downturn.

An established provider of air travel services in international markets, the Company conducts its business through a network of satellite offices and subsidiary companies throughout Europe, USA, the Middle East and Far East.

Although 2008 started strongly across all regions, the sudden economic downturn at the onset of the third quarter had significant impact on the Group's operations in France where the independent trading company Hunt et Palmer Voyage struggled to maintain profitability amidst increasingly difficult local trading conditions. In an attempt to halt this decline Hunt and Palmer Plc made significant loans to the French company, along with other professional support. However, by the start of the fourth quarter it was evident the French entity was suffering unsustainable financial losses and consequently that company ceased trading at the end of November 2008 and is presently the subject of liquidation proceedings in the French Commercial Court. The Directors are mindful that this has had a significant impact on the reported profitability of the Group for the year changing what would have been a profit before tax of £277,211 into a loss of £273,824 - a cost to the Group of £551,035. Without such losses the Group would have shown returns in accordance with previous predictions.

As highlighted previously in the Directors report for the 2007 accounting period, it was evident at the end of 2008 that looking ahead into 2009 our industry was facing significant challenges brought about by the global economic crisis. In order to prepare our Company for this, the Directors and management undertook an in depth review of the current business strategy and organisation overheads which in turn has seen the introduction of a revised business plan appropriate to the present markets and the implementation of stringent budgetary controls and cost reduction programme to ensure the Company's long term continuity and financial stability.

The Directors forecast that during the coming period, business activity in many of our traditional markets will be significantly reduced due to the economic climate and that in addition to maintaining these revenue areas, attention must therefore be given to new and evolving sectors which may be found outside of our usual areas of operation.

There will be a need for adaptability and change within the organisation and the Directors are confident the Company is able to meet the challenges presented and will successfully navigate through this difficult period emerging in a strong position to realise the longer term objectives of the group.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

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

Financial

Implementation of the cost reduction programme noted above should ensure that the Company can maintain financial stability despite the anticipated reduction in revenue due to the ongoing recession. Budgets have been agreed with the senior management who will retain P&L responsibility for those areas under their control and compliance will be monitored to ensure that the Company is meeting these self imposed targets.

Managers will seek to optimise operating margins which are key to the Company's overall profitability and likely to be lower than would usually be expected due to the continuing economic downturn. Regular evaluation of returns will be made to ensure that the Company is achieving these.

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.

The Directors firmly believe that there will be new business opportunities created in certain areas and resources will be made available to exploit these when required. An amount of evaluation and due diligence will be undertaken on any such opportunity arising and the subsequent activity shall be closely monitored to ensure satisfactory return on any investment.

Employees

The Directors actively encourage management to maintain and develop good relations with employees and are justifiably proud of the Company's record as a good and responsible employer.

Staff retention levels are higher than the industry mean generally, the average length of service of the senior management team being 10.75 years.

During 2008 the Company made 6 new appointments including 1 senior post and 1 graduate to the Company's Graduate Training Scheme. In the same period, there were 4 leavers.

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 continues to hold Investor in People accreditation which was first attained in 2000. The Company actively embraces the ethos behind the standard and seeks to ensure compliance throughout the organisation. Achievements are measured against the criteria laid down by the Standard and will be used as a performance indicator of our success in these areas.

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.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Directors

The following directors have held office since 1 January 2008:

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

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 2008 was 14 (2007: 45 days).

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 and currency rate fluctuations. The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook affecting global markets generally and that the group has adequate resources to continue in operational existence for the foreseeable future.

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.

Statement of 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 these 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 UK 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.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

(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,

M. Jenkinson

Secretary

27 October 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 2008 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 & limitation of scope

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.

The consolidated profit and loss account and cash flow statements includes the unaudited results of Hunt Et Palmer Voyages SARL a company registered in France based on management accounts obtained for period from 1 January 2008 to 31 October 2008 when it into liquidation. The group did not have access to the underlying books and records to enable any audit to be carried out. Its comparative figures for 2007 were audited by SOFIDEEC Baker Tilly who issued a qualified report on 22 December 2008 which concluded that the annual financial statements for 2007 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. Because of the significance of these items we have been unable to form a view on material aspects of the financial statements.

HUNT AND PALMER PLC
INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HUNT AND PALMER PLC

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion: disclaimer on view given by the consolidated profit and loss account and cash flow statement for the year

Because of the effect of the limitation of evidence available to us, we are unable to form an opinion on the consolidated profit and loss account, the consolidated cashflow statement and comparative consolidated balance sheet for 2007 as to whether they:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs as at 31 December 2007 and loss for 2008 and 2007; and
- if they have been properly prepared in accordance with the Companies Act 1985.

Opinion: on view given by the group's consolidated balance sheet for 2008 and the parent company's own financial statements

In our opinion:

- the group's consolidated balance sheet for 2008 (but excluding its comparative figures for 2007) and the financial statements of Hunt and Palmer PLC (the company) for 2008 and 2007, give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of their affairs as at 31 December 2008 and of the company's loss for the period then ended; and
- the financial statements of the company 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

29 October 2009

29/30 Fitzroy Square
London W1T 6LQ

HUNT AND PALMER PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2		
Continuing operations		32,049,651	34,161,141
Discontinued activities		28,320,599	13,005,702
		<u>60,370,250</u>	<u>47,166,843</u>
Cost of sales	3	(55,309,740)	(42,107,400)
Gross profit		<u>5,060,510</u>	<u>5,059,443</u>
Administrative expenses	3	(5,828,831)	(5,153,951)
Other operating income	3	23,240	2,580
Operating profit/(loss):	4		
Continuing operations		259,769	(146,771)
Discontinued activities		(1,004,850)	54,843
		<u>(745,081)</u>	<u>(91,928)</u>
Profit on elimination of discontinued activities		453,815	-
		<u>453,815</u>	<u>-</u>
Loss on ordinary activities before interest		(291,266)	(91,928)
Income from interests in associated undertakings	8	(4,646)	(1,082)
Investment income	5	268	1,250
Other interest receivable and similar income		34,535	49,545
Interest payable and similar charges	6	(12,715)	(12,441)
Loss on ordinary activities before taxation		<u>(273,824)</u>	<u>(54,656)</u>
Tax on loss on ordinary activities	7	(34,730)	(39,808)
Loss on ordinary activities after taxation		<u>(308,554)</u>	<u>(94,464)</u>
Minority interests		2,740	(6,257)
Loss for the financial year	8	<u><u>(305,814)</u></u>	<u><u>(100,721)</u></u>

HUNT AND PALMER PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Loss for the financial year	(308,554)	(94,464)
Currency translation differences on foreign currency net investments	(67,482)	(5,638)
Total recognised gains and losses relating to the year	<u>(376,036)</u>	<u>(100,102)</u>

HUNT AND PALMER PLC

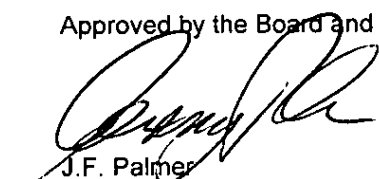
BALANCE SHEETS

AS AT 31 DECEMBER 2008

Company Registration No. 2027063

	Notes	Group 2008 £	2007 £	Company 2008 £	2007 £
Fixed assets					
Tangible assets	9 and 10	171,727	720,670	170,152	686,815
Investments	11	10,713	10,324	74,925	64,149
		<u>182,440</u>	<u>730,994</u>	<u>245,077</u>	<u>750,964</u>
Current assets					
Debtors	12	2,644,140	9,822,540	2,813,107	3,999,287
Cash at bank and in hand		1,687,830	1,304,001	1,365,664	404,800
		<u>4,331,970</u>	<u>11,126,541</u>	<u>4,178,771</u>	<u>4,404,087</u>
Creditors: amounts falling due within one year	13	(4,420,610)	(11,360,220)	(4,176,648)	(4,384,009)
Net current liabilities		<u>(88,640)</u>	<u>(233,679)</u>	<u>2,123</u>	<u>20,078</u>
Total assets less current liabilities		<u>93,800</u>	<u>497,315</u>	<u>247,200</u>	<u>771,042</u>
Creditors: amounts falling due after more than one year	14	(3,069)	(14,680)	(3,069)	(14,680)
Provisions for liabilities	15	(9,050)	(9,050)	(9,050)	(9,050)
		<u>81,681</u>	<u>473,585</u>	<u>235,081</u>	<u>747,312</u>
Capital and reserves					
Called up share capital	17	50,001	50,001	50,001	50,001
Profit and loss account	18	31,680	404,976	185,080	697,311
Shareholders' funds	20	81,681	454,977	235,081	747,312
Minority interests	19	-	18,608	-	-
		<u>81,681</u>	<u>473,585</u>	<u>235,081</u>	<u>747,312</u>

Approved by the Board and authorised for issue on 27 October 2009


J.F. Palmer
Director

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	£	2008 £	£	2007 £
Net cash Inflow/(outflow) from operating activities		513,627		(520,600)
Returns on Investments and servicing of finance				
Interest received	34,535		49,545	
Interest paid	(12,715)		(12,441)	
Dividends received	268		1,250	
Net cash Inflow for returns on Investments and servicing of finance		22,088		38,354
Taxation		(12,397)		(39,661)
Capital expenditure and financial Investment				
Payments to acquire tangible assets	(12,964)		(80,909)	
Payments to acquire investments	(389)		-	
Receipts from sales of tangible assets	443,936		41,214	
Receipts from sales of investments	-		2,089	
Net cash Inflow for capital expenditure Acquisitions and disposals		430,583		(37,606)
Purchase of subsidiary undertakings (net of cash acquired)	(10,387)		-	
Net cash outflow for acquisitions and disposals		(10,387)		-
Net cash Inflow/(outflow) before management of liquid resources and financing		943,514		(559,513)
Management of liquid resources				
Current asset investments	-		126,638	
				126,638
Financing				
Repayment of other short term loans	(320,000)		-	
Capital element of hire purchase contracts	(10,607)		(7,346)	
Net cash outflow from financing		(330,607)		(7,346)
Increase/(decrease) in cash in the year		(612,907)		(440,221)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2008	2007
		£	£
	Operating loss	(745,081)	(91,928)
	Depreciation of tangible assets	51,866	76,452
	(Loss)/profit on disposal of tangible assets	39,017	(26,871)
	Decrease/(increase) in debtors	2,345,409	(3,624,258)
	(Decrease)/Increase in creditors within one year	(1,110,102)	3,151,643
	Net effect of foreign exchange differences	(67,482)	(5,638)
	Net cash inflow/(outflow) from operating activities	513,627	(520,600)

2	Analysis of net funds	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,304,001	383,829	-	1,687,830
	Bank overdrafts	(248,422)	229,078	-	(19,344)
		<u>1,055,579</u>	<u>612,907</u>	<u>-</u>	<u>1,668,486</u>
	Finance leases	(25,286)	10,607	-	(14,679)
	Debts falling due within one year	(320,000)	320,000	-	-
	Net funds	<u>710,293</u>	<u>943,514</u>	<u>-</u>	<u>1,653,807</u>

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	Increase/(decrease) in cash in the year	612,907	(440,221)
	Cash (outflow)/inflow from (increase)/decrease in liquid resources	-	(126,638)
	Cash outflow from decrease in debt	330,607	7,346
	Change in net debt resulting from cash flows	943,514	(559,513)
	New finance lease	-	(32,632)
	Movement in net funds in the year	943,514	(592,145)
	Opening net funds	710,293	1,302,438
	Closing net funds	<u>1,653,807</u>	<u>710,293</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

4 Effect of disposal of subsidiary undertaking

	£
Fixed Assets	37,475
Debtors	4,832,991
Creditors	(5,308,413)
Minority interest	(15,868)
Surplus on elimination of subsidiary	(453,815)
Proceeds	

The group cash flow incorporates the cash flow generated from the operation of Hunt et Palmer Voyage S.A.R.L. for the period until it was put into liquidation.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 and currency rate fluctuations. The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook affecting global markets generally and that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the accounts are prepared using the going concern basis.

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 2008.

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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

(continued)

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.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in 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 13 month accounting period ending 31 December 2007.

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:

	2008 £	2007 £
Geographical segment		
United Kingdom	15,766,433	17,057,437
Europe	33,190,920	16,848,272
Rest of World	11,412,897	13,261,134
	<u>60,370,250</u>	<u>47,166,843</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

3 Cost of sales and net operating expenses

	2008			2007		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	27,590,427	27,719,313	55,309,740	30,285,448	11,821,952	42,107,400
Administrative expenses	4,219,104	1,609,727	5,828,831	4,027,961	1,125,990	5,153,951
Other operating income	(19,649)	(3,591)	(23,240)	(5,497)	2,917	(2,580)
	<u>31,789,882</u>	<u>29,325,449</u>	<u>61,115,331</u>	<u>34,307,912</u>	<u>12,950,859</u>	<u>47,258,771</u>

4 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	51,866	76,279
Loss on disposal of tangible assets	65,491	-
Loss on foreign exchange transactions	-	69,733
Operating lease rentals	172,149	118,857
Auditors' remuneration:		
Audit of the parent company	25,000	20,600
Audit of subsidiary companies	5,000	-
Under provision in respect of previous year's audit	387	3,767
Tax services	540	390
Other services	1,869	846
and after crediting:		
Profit on disposal of tangible assets	(26,474)	(26,871)
Profit on foreign exchange transactions	(329,866)	-

5 Investment income

	2008	2007
	£	£
Income from fixed asset investments	<u>268</u>	<u>1,250</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6	Interest payable	2008	2007
		£	£
	On bank loans and overdrafts	10,859	10,441
	Hire purchase interest	1,856	2,000
		<u>12,715</u>	<u>12,441</u>
7	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	34,704	31,106
	Tax credits on franked investment income	26	83
		<u>34,730</u>	<u>31,189</u>
	Foreign corporation tax		
	Foreign corporation tax	-	12,370
		<u>-</u>	<u>12,370</u>
	Current tax charge	34,730	43,559
	Deferred tax		
	Deferred tax charge/credit current year	-	(3,751)
		<u>-</u>	<u>(3,751)</u>
		<u>34,730</u>	<u>39,808</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(273,824)	(54,656)
		<u>(273,824)</u>	<u>(54,656)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	(76,671)	(16,397)
		<u>(76,671)</u>	<u>(16,397)</u>
	Effects of:		
	Non deductible expenses	151,152	22,387
	Depreciation add back	13,038	8,565
	Capital allowances	(13,014)	(20,731)
	Loss on disposal of assets	18,338	-
	Foreign tax adjustments	(57,029)	52,619
	Dividends and distributions received	(75)	(375)
	Other tax adjustments	(1,009)	(2,509)
		<u>111,401</u>	<u>59,956</u>
	Current tax charge	34,730	43,559
		<u>34,730</u>	<u>43,559</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

8 (Loss)/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 (loss)/profit for the financial year is made up as follows:

	2008 £	2007 £
Holding company's (loss)/profit for the financial year	(512,231)	52,070

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Tangible fixed assets Group

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2008	509,159	205,094	714,253
Additions	12,964	-	12,964
Disposals	(156,675)	(21,250)	(177,925)
At 31 December 2008	365,448	183,844	549,292
Depreciation			
At 1 January 2008	340,047	117,659	457,706
On disposals	(117,854)	(14,153)	(132,007)
Charge for the year	31,782	20,084	51,866
At 31 December 2008	253,975	123,590	377,565
Net book value			
At 31 December 2008	111,473	60,254	171,727
At 31 December 2007	169,112	87,435	256,547

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 2008	-	22,661	22,661
At 31 December 2007	-	30,215	30,215
Depreciation charge for the year			
31 December 2008	-	7,554	7,554
31 December 2007	-	6,043	6,043

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Tangible fixed assets (continued)

Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2008	414,438	205,094	619,532
Additions	11,548	-	11,548
Disposals	(79,155)	(21,250)	(100,405)
At 31 December 2008	346,831	183,844	530,675
Depreciation			
At 1 January 2008	279,181	117,659	396,840
On disposals	(68,728)	(14,153)	(82,881)
Charge for the year	26,480	20,084	46,564
At 31 December 2008	236,933	123,590	360,523
Net book value			
At 31 December 2008	109,898	60,254	170,152

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 2008	-	22,661	22,661
At 31 December 2007	-	30,215	30,215
Depreciation charge for the year			
31 December 2008	-	7,554	7,554
31 December 2007	-	6,043	6,043

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

10 Tangible fixed assets		
Investment properties	Group	Company
	£	£
Cost		
At 1 January 2008	464,123	464,123
Disposals	(464,123)	(464,123)
At 31 December 2008	-	-
Depreciation		
At 1 January 2008 & at 31 December 2008	-	-
Net book value		
At 31 December 2008	-	-
At 31 December 2007	464,123	464,123

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Fixed asset investments Group

	Listed Investments	Unlisted investments	Shares in participating Interests	Total
	£	£	£	£
Cost				
At 1 January 2008	2,283	8,000	41	10,324
Additions	389	-	-	389
	<u>2,672</u>	<u>8,000</u>	<u>41</u>	<u>10,713</u>
At 31 December 2008	2,672	8,000	41	10,713
Net book value				
At 31 December 2008	2,672	8,000	41	10,713
	<u>2,283</u>	<u>8,000</u>	<u>41</u>	<u>10,324</u>
At 31 December 2007	2,283	8,000	41	10,324

11 Fixed asset investments Company

	Listed Investments	Unlisted Investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 January 2008	2,283	8,000	53,866	64,149
Additions	389	-	10,387	10,776
	<u>2,672</u>	<u>8,000</u>	<u>64,253</u>	<u>74,925</u>
At 31 December 2008	2,672	8,000	64,253	74,925
	<u>2,283</u>	<u>8,000</u>	<u>53,866</u>	<u>64,149</u>
At 31 December 2007	2,283	8,000	53,866	64,149

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 2008	6,216	8,000	14,216
At 31 December 2007	7,894	8,000	15,894

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

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	100
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
Hunt & Palmer travel Services Ltd	G.B.	Ordinary	50

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 & Palmer Hong Kong Ltd	Air Brokers
Air Charter Corporation Ltd	Dormant
S.C.I HPMN	Property Company

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

Hunt et Palmer Voyages S.A.R.L. which was 70% owned by the group at the start of the year was put into liquidation at the end of October 2008. It was owned via Hunt and Palmer (France) S.A.R.L.

The group acquired the minority interest holding of 25% in Hunt & Palmer PTY Ltd during the year for £10,387.

The group's french companies have 30 November year ends and Australia, a 30 June year end. The intention is that all group companies should have a 31 December year end.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Debtors

	Group 2008 £	2007 £	Company 2008 £	2007 £
Trade debtors	881,644	5,400,558	829,556	1,576,733
Amounts owed by group undertakings	-	-	259,340	533,669
Amounts owed by participating interests	(90)	-	-	-
Other debtors	111,867	756,882	91,554	60,368
Prepayments and accrued income	1,650,719	3,665,100	1,632,657	1,828,517
	<u>2,644,140</u>	<u>9,822,540</u>	<u>2,813,107</u>	<u>3,999,287</u>

13 Creditors : amounts falling due within one year

	Group 2008 £	2007 £	Company 2008 £	2007 £
Bank loans and overdrafts	19,344	568,422	19,344	553,116
Net obligations under finance lease and hire purchase contracts	11,610	10,606	11,610	10,606
Trade creditors	2,173,193	4,893,178	2,041,762	2,276,467
Amounts owed to participating interests	4,646	-	-	-
Corporation tax	65,810	43,477	65,810	31,106
Taxes and social security costs	61,879	359,125	61,866	64,414
Directors current accounts	855	10,113	-	-
Other creditors	60,123	636,372	407	(1,275)
Accruals and deferred income	2,023,150	4,838,927	1,975,849	1,449,575
	<u>4,420,610</u>	<u>11,360,220</u>	<u>4,176,648</u>	<u>4,384,009</u>

Included within bank loans and overdrafts in 2007 is a short term loan of £320,000 which was secured upon the company's investment property. The loan was repaid during 2008 when the property concerned was sold.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

14 Creditors : amounts falling due after more than one year

	Group 2008 £	2007 £	Company 2008 £	2007 £
Net obligations under finance leases and hire purchase agreements	<u>3,069</u>	<u>14,680</u>	<u>3,069</u>	<u>14,680</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	12,384	12,461	12,384	12,461
Repayable between one and five years	<u>3,113</u>	<u>15,522</u>	<u>3,113</u>	<u>15,522</u>
	15,497	27,983	15,497	27,983
Finance charges and interest allocated to future accounting periods	<u>(818)</u>	<u>(2,697)</u>	<u>(818)</u>	<u>(2,697)</u>
	14,679	25,286	14,679	25,286
Included in liabilities falling due within one year	<u>(11,610)</u>	<u>(10,606)</u>	<u>(11,610)</u>	<u>(10,606)</u>
	<u>3,069</u>	<u>14,680</u>	<u>3,069</u>	<u>14,680</u>

15 Provisions for liabilities

Group	Deferred taxation £
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Balance at 1 January 2008 & at 31 December 2008 9,050

Company

Balance at 1 January 2008 & at 31 December 2008 9,050

The deferred tax liability is made up as follows:

	Group 2008 £	2007 £	Company 2008 £	2007 £
Accelerated capital allowances	<u>9,050</u>	<u>9,050</u>	<u>9,050</u>	<u>9,050</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

16 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 £45,968 (2007 £16,335) represents contributions paid by the company to the fund.

17 Share capital	2008 £	2007 £
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

18 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 January 2008	404,976
Loss for the year	(305,814)
Foreign currency translation differences	(67,482)
Balance at 31 December 2008	31,680

Company

	Profit and loss account £
Balance at 1 January 2008	697,311
Loss for the year	(512,231)
Balance at 31 December 2008	185,080

19 Minority Interests	2008 £	2007 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	-	18,608

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

20	Reconciliation of movements in shareholders' funds	2008	2007
		£	£
	Group		
	Loss for the financial year	(305,814)	(100,721)
	Other recognised gains and losses	(67,482)	(5,638)
	Net depletion in shareholders' funds	(373,296)	(106,359)
	Opening shareholders' funds	454,977	561,336
	Closing shareholders' funds	81,681	454,977
	Company		
	(Loss)/Profit for the financial year	(512,231)	52,070
	Opening shareholders' funds	747,312	695,242
	Closing shareholders' funds	235,081	747,312

21 Financial commitments

At 31 December 2008 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
In over five years	43,500	43,500

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
In over five years	43,500	43,500

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

22 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	455,225	532,966
Company pension contributions to money purchase schemes	3,068	9,750
	<u>458,293</u>	<u>542,716</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2007- 3).

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

Emoluments for qualifying services	155,255	189,638
Company pension contributions to money purchase schemes	<u>3,000</u>	<u>3,000</u>

23 Employees

Number of employees

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

	2008 Number	2007 Number
Administration and sales	<u>74</u>	<u>64</u>

Employment costs

	2008 £	2007 £
Wages and salaries	3,668,679	2,755,539
Social security costs	234,002	510,876
Other pension costs	45,968	16,335
	<u>3,948,649</u>	<u>3,282,750</u>

24 Control

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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2008**

25 Related party transactions

Group

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Company

Included in trade creditors is a balance of £6,726 (2007: Dr £915) relating to Driven Worldwide Ltd. Hunt and Palmer also received fees of £1£18,000 from Driven Worldwide Ltd.

Included in debtors is £23,243 (2007: £5,133) owed by HPMS Ltd a company under the direct control of the directors. Debtors also includes £22,367 due from Hunt & Palmer Travel Services Ltd in respect of its share of commissions earned.

During the year the company paid rent of £43,500 (2007: £47,125) to, and was owed £6,200 by The Hunt & Palmer PLC Retirement Benefit Scheme, a scheme which is under the control of the directors.