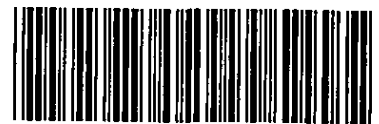


Company Registration No. 02027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

HUNT AND PALMER PLC

DIRECTORS AND ADVISERS

Directors	P R Hunt J S Martin J F Palmer M Jenkinson S Edwards N Harvey
Secretary	M Jenkinson
Company number	02027063
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 2011

The directors present their report and financial statements for the year ended 31 December 2011

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. An established provider of air charter services within a global market, the Company conducts its business through a network of satellite offices and subsidiary companies throughout Europe, Asia, Australia and the USA.

Hunt & Palmer has an extensive and varied portfolio of blue chip clients and have enjoyed continued support of many during the global recession, a fact considered to support the Board's belief in the exemplary standards of service and ethics employed in all the Company's business activities.

The Company continues to trade profitably and the strong finish of the previous financial period in December 2010 provided an excellent foundation for the Board's development strategy during 2011. As previously recorded in the 2010 Director's Report the acquisition of Premier Aviation (UK) Ltd by Hunt & Palmer was completed on 31 May and had the potential to bring a significant volume of additional business to the group from the rock and pop tour industry where Premier Aviation have built a strong client base over the last twenty years.

This acquisition was transacted as a cash sale and no loan or additional debt was incurred by the Company in completing same although such a significant purchase is reflected in the reduced funds held at the year end.

It had been anticipated that Premier Aviation would make a small contribution to the group consolidated accounts at the end of the period however an unexpected drop in business activity and additional costs incurred post acquisition resulted in a small loss being recorded in that Company's accounts. However post year end a number of cost reduction measures have been implemented including a consolidation of the accounts function into the Group Finance Department and a move of the Premier Aviation staff into the Hunt & Palmer offices which the Board believes will show a reduction in operating overheads during 2012 which when coupled with a number of high profile tour programmes now secured should see the subsidiary return to profit during the coming year. The Hunt & Palmer Board are confident that a return on this investment will be realised in the future.

Although the conference and incentive industry in the UK and Europe continued to be depressed in the wake of the 2009 global downturn, the expected impact of this on the profits of the Company's Commercial Aviation activity was offset by a significant programme of flying on behalf of several UN agencies in the wake of the Arab Spring uprisings in North Africa. The carriage of some 35,000 displaced persons out of difficult and often hostile regions was a significant achievement. The Board recognise the substantial effort made by all staff involved with these projects and consider that the awarding of such contracts to the Company by these agencies is recognition of our status within the international community as a respected provider of aircraft charter. Yet again the Company's ability to react quickly and authoritatively to these emergency situations with charter solutions ideally suited to the situation on the ground has been highlighted.

While overall the markets within Europe continued to trade below expectations in 2011, buoyancy of the US financial services sector has helped to boost activity within our Business Aviation departments and the Company has secured a number of contracts within the international banking community to provide aircraft charter services.

In late November 2011, a corporate rebrand was launched across the Group, led by an outsourced integrated marketing company. This five year investment in the Company's future included a new and more functional website, refreshed brand appearance and an aggressive push/pull marketing strategy to acquire and retain clients across all markets in which we work.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors recognise that there is a need to explore new and emerging business opportunities as traditional markets remain in recession and invest where deemed appropriate. In light of this a decision was made during the period to setup and develop a freight charter business to complement the existing core activity. The Board believes that this will enhance the Company's offering and enable it to compete effectively in the energy markets and open opportunities within the areas of humanitarian relief and government contracts.

Post year end it is reported that the cargo charter operation has been set running in April 2012.

The previously reported liquidation of Hunt et Palmer Voyage SARL in France is ongoing and further related costs to this have been incurred by the Company during the financial period. Further expenses are anticipated in the coming year however it is expected that the bulk of such costs in future will be covered by the Company's liability insurance.

Looking ahead to the next period, the Directors forecast that business across most markets will continue to be slow as the global recession impacts deeper on the business of our core clientele and the aviation industry generally.

The Directors are confident the Company is in a strong position to be able to meet the challenges presented. The Company has agreed the following KPI's which will be used to measure performance during the forthcoming financial year:

Financial

In light of the difficult trading conditions anticipated, a tight control is to be maintained on all operating costs and managers will be expected to ensure that their departments are run as efficiently as possible whilst providing the service levels required to meet the needs of the business.

The Board has liaised with managers to determine their specific requirements and have agreed budgets based on these assessments. Optimising operating margins 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 are pleased to note that despite the increasingly competitive trading environment the Company continues to enjoy a significant level of 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.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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 with the average length of service amongst senior staff excluding directors being 10.65 years

During 2011 the Company made 4 new appointments and in the same period, there were 3 leavers. In the same year one staff member completed the Company's 3 year Graduate Trainee Scheme and took a junior management role within the organisation

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. In 2011 the Company received a 10 year Award from the UK Commission for Employment & Skills in recognition of its continued ability to meet and retain this standard. The Company actively embraces the ethos behind the Investors in People Scheme 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 pages 7 to 8

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2011

P R Hunt
J S Martin
J F Palmer
M Jenkinson
S Edwards
N Harvey

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 the individual suppliers. The average number of days credit taken for trade purchases for the year was 9 days (2010: 18 days)

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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. Accordingly the accounts are prepared on a going concern basis.

Auditors

The auditors, Goodman Jones LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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.

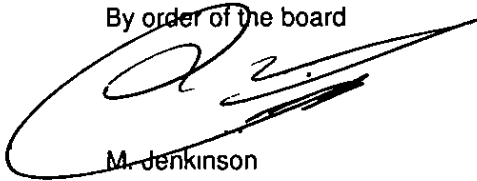
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 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.

By order of the board



M. Jenkinson

Secretary

26.6.2012

HUNT AND PALMER PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HUNT AND PALMER PLC

We have audited the financial statements of Hunt and Palmer Plc for the year ended 31 December 2011 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

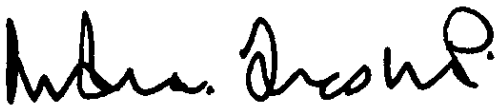
HUNT AND PALMER PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF HUNT AND PALMER PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Maurice Austin (Senior Statutory Auditor)
for and on behalf of Goodman Jones LLP

27 June 2012

Chartered Accountants
Statutory Auditor

29/30 Fitzroy Square
London
W1T 6LQ

HUNT AND PALMER PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2		
Continuing operations		35,014,181	28,779,615
Acquisitions		4,225,216	-
		<u>39,239,397</u>	<u>28,779,615</u>
Cost of sales		(34,251,870)	(24,241,544)
Gross profit		<u>4,987,527</u>	<u>4,538,071</u>
Administrative expenses		(4,526,606)	(3,868,727)
Operating profit	4	<u>460,921</u>	<u>669,344</u>
Operating profit	4		
Continuing operations		510,994	669,344
Acquisitions		(50,073)	-
		<u>460,921</u>	<u>669,344</u>
Income from interests in associated undertakings		27,941	19,500
Investment income	5	298	100,422
Other interest receivable and similar income		1,984	2,206
Interest payable and similar charges	6	(127)	(122)
Profit on ordinary activities before taxation		<u>491,017</u>	<u>791,350</u>
Tax on profit on ordinary activities	7	(161,945)	(72,902)
Profit on ordinary activities after taxation		<u><u>329,072</u></u>	<u><u>718,448</u></u>

HUNT AND PALMER PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Profit for the financial year	329,072	718,448
Currency translation differences on foreign currency net investments	12,181	(56,110)
Total recognised gains and losses relating to the year	<u>341,253</u>	<u>662,338</u>

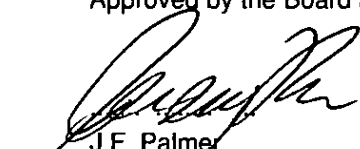
HUNT AND PALMER PLC

BALANCE SHEETS

AS AT 31 DECEMBER 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Intangible assets	9	323,093	-	-	-
Tangible assets	10	163,318	195,304	157,073	187,618
Investments	11	10,672	10,672	740,591	55,720
		<u>497,083</u>	<u>205,976</u>	<u>897,664</u>	<u>243,338</u>
Current assets					
Debtors	13	3,288,542	2,343,410	3,162,021	2,178,467
Cash at bank and in hand		2,138,450	2,584,295	1,225,220	2,284,820
		<u>5,426,992</u>	<u>4,927,705</u>	<u>4,387,241</u>	<u>4,463,287</u>
Creditors' amounts falling due within one year	14	<u>(4,702,277)</u>	<u>(4,244,015)</u>	<u>(4,078,755)</u>	<u>(3,899,503)</u>
Net current assets		<u>724,715</u>	<u>683,690</u>	<u>308,486</u>	<u>563,784</u>
Total assets less current liabilities		<u>1,221,798</u>	<u>889,666</u>	<u>1,206,150</u>	<u>807,122</u>
Provisions for liabilities	15	<u>(15,729)</u>	<u>(24,850)</u>	<u>(20,156)</u>	<u>(24,850)</u>
		<u>1,206,069</u>	<u>864,816</u>	<u>1,185,994</u>	<u>782,272</u>
Capital and reserves					
Called up share capital	17	50,001	50,001	50,001	50,001
Profit and loss account	18	1,156,068	814,815	1,135,993	732,271
Shareholders' funds	19	<u>1,206,069</u>	<u>864,816</u>	<u>1,185,994</u>	<u>782,272</u>

Approved by the Board and authorised for issue on *26 June 2012*


J F Palmer
Director

Company Registration No 02027063

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash outflow from operating activities		(369,920)		1,526,430
Returns on investments and servicing of finance				
Interest received	1,984		2,206	
Interest paid	(127)		(122)	
Dividends received	298		422	
Dividends received from participating interests	-		100,000	
Net cash inflow for returns on investments and servicing of finance		2,155		102,506
Taxation		(182,731)		(71,168)
Capital expenditure				
Payments to acquire tangible assets	(12,922)		(112,548)	
Receipts from sales of tangible assets	1,126		6,221	
Net cash (outflow)/inflow for capital expenditure		(11,796)		(106,327)
Purchase of subsidiary undertakings	(683,791)		-	
Cash at bank and in hand acquired with subsidiaries	800,238		-	
Net cash outflow for acquisitions and disposals		116,447		-
Net cash (outflow)/inflow before management of liquid resources and financing		(445,845)		1,451,441
Financing				
Capital element of hire purchase contracts	-		(3,069)	
Net cash outflow from financing		-		(3,069)
Increase/(Decrease) in cash in the year		(445,845)		1,448,372

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2011 £	2010 £
	Operating profit	460,921	669,344
	Depreciation of tangible assets	41,723	34,692
	Amortisation of intangible assets	17,005	-
	Loss on disposal of tangible assets	1,235	9,447
	(Increase)/decrease in debtors	(311,694)	316,378
	Increase/(decrease) in creditors	(592,115)	552,907
	Net effect of foreign exchange differences	13,005	(56,338)
	Net cash (outflow)/inflow from operating activities	(369,920)	1,526,430

2	Analysis of net funds	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
	Net cash				
	Cash at bank and in hand	2,584,295	(445,845)	-	2,138,450
	Net funds	2,584,295	(445,845)	-	2,138,450

3	Reconciliation of net cash flow to movement in net debt	2011 £	2010 £
	(Decrease)/increase in cash in the year	(445,845)	1,448,372
	Cash (inflow)/outflow from (increase)/decrease in debt	-	3,069
	Movement in net funds in the year	(445,845)	1,451,441
	Opening net funds	2,584,295	1,132,854
	Closing net funds	2,138,450	2,584,295

- 4 **Acquisitions and disposals**
£800,238 of cash balances were acquired during the purchase of 100% of the share capital of Premier Aviation (UK) Limited on 31 May 2011. For further information on the acquisition see note 12 to the accounts.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

Based on projections to 31 December 2012, the company has adequate working capital resources to meet its operational needs and accordingly the directors consider it appropriate to continue to use the going concern basis in the preparation of the financial statements

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 2011

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. The full value of the sale is recognised at the flight date when the full economic benefit has been deemed to have passed on to the customer

1.6 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years

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

1.8 Leasing and hire purchase commitments

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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies (continued)

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.

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:

	2011 £	2010 £
Geographical segment		
United Kingdom	11,063,114	10,786,548
Europe	13,470,263	3,951,431
Rest of World	14,706,020	14,041,636
	<u>39,239,397</u>	<u>28,779,615</u>

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2011 include the following amounts relating to acquisitions: cost of sales £3,873,994, distribution costs £-, administrative expenses £401,679 and other operating income £384.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

4	Operating loss	2011	2010
		£	£
	Operating loss is stated after charging		
	Amortisation of intangible assets	17,005	-
	Depreciation of tangible assets	41,723	32,160
	Loss on disposal of tangible assets	1,235	9,569
	Loss on foreign exchange transactions	6,656	14,615
	Operating lease rentals	68,634	60,295
	Auditors' remuneration		
	Audit of the parent company	20,435	27,180
	Audit of subsidiary companies	7,500	3,020
	Under/(over) provision in respect of previous year's audit		
	Tax services	1,250	5,345
	Other services	6,356	4,033
	and after crediting		
	Profit on disposal of tangible assets	-	(122)
	Profit on foreign exchange transactions	(20,697)	(99,742)
		<u> </u>	<u> </u>
5	Investment income	2011	2010
		£	£
	Income from participating interests	-	100,000
	Income from other fixed asset investments	298	422
		<u> </u>	<u> </u>
		298	100,422
		<u> </u>	<u> </u>
6	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	127	74
	Hire purchase interest	-	46
	Other interest	-	2
		<u> </u>	<u> </u>
		127	122
		<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

7	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	35,600	57,102
	Foreign corporation tax		
	Foreign corporation tax	131,039	-
	Total current tax	166,639	57,102
	Deferred tax		
	Deferred tax charge/credit current year	(4,694)	15,800
		161,945	72,902
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	491,017	791,350
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	127,664	221,578
	Effects of		
	Non deductible expenses	4,950	2,097
	Depreciation add back	10,267	8,617
	Capital allowances	(7,575)	(31,669)
	Loss on disposal of assets	321	2,679
	Dividends and distributions received	(77,942)	(82,053)
	Other tax adjustments	108,954	(64,147)
		38,975	(164,476)
	Current tax charge for the year	166,639	57,102

8 Profit for the financial year

As permitted by section 408 Companies Act 2006, 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

	2011 £	2010 £
Holding company's profit for the financial year	403,722	488,306

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

9 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2011	-
Additions	340,098
At 31 December 2011	340,098
Amortisation	
At 1 January 2011	-
Charge for the year	17,005
At 31 December 2011	17,005
Net book value	
At 31 December 2011	323,093
At 31 December 2010	-

For details on the acquisition in the year, please see note 12 to the accounts

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Tangible fixed assets

Group

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2011	441,825	103,135	544,960
Exchange differences	(1,020)	-	(1,020)
Additions	12,922	-	12,922
Disposals	-	(35,800)	(35,800)
At 31 December 2011	453,727	67,335	521,062
Depreciation			
At 1 January 2011	282,819	66,837	349,656
Exchange differences	(196)	-	(196)
On disposals	-	(33,439)	(33,439)
Charge for the year	33,230	8,493	41,723
At 31 December 2011	315,853	41,891	357,744
Net book value			
At 31 December 2011	137,874	25,444	163,318
At 31 December 2010	159,006	36,298	195,304

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Tangible fixed assets

Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2011	433,042	98,337	531,379
Additions	11,306	-	11,306
Disposals	-	(35,800)	(35,800)
At 31 December 2011	444,348	62,537	506,885
Depreciation			
At 1 January 2011	279,634	64,127	343,761
On disposals	-	(33,439)	(33,439)
Charge for the year	31,348	8,142	39,490
At 31 December 2011	310,982	38,830	349,812
Net book value			
At 31 December 2011	133,366	23,707	157,073
At 31 December 2010	153,408	34,210	187,618

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Fixed asset investments Group

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 January 2011 & at 31 December 2011	2,672	8,000	10,672
Net book value			
At 31 December 2011	2,672	8,000	10,672
At 31 December 2010	2,672	8,000	10,672
	Market value £	Directors' valuation £	Total £
At 31 December 2011	8,515	8,000	16,515
At 31 December 2010	8,042	8,000	16,042

11 Fixed asset investments Company

	Listed investments £	Unlisted investments £	Shares in group undertakings £	Total £
Cost				
At 1 January 2011	2,672	8,000	68,518	79,190
Additions	-	-	684,871	684,871
At 31 December 2011	2,672	8,000	753,389	764,061
Provisions for diminution in value				
At 1 January 2011 & at 31 December 2011	-	-	23,470	23,470
Net book value				
At 31 December 2011	2,672	8,000	729,919	740,591
At 31 December 2010	2,672	8,000	45,048	55,720

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 £
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HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

11 Fixed asset investments (continued)

At 31 December 2011	8,515	8,000	16,515
At 31 December 2010	8,042	8,000	16,042

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 & Palmer (Projects) Limited	G B	Ordinary	100
Hunt & Palmer Hong Kong Ltd	Hong Kong	Ordinary	100
Hunt & Palmer PTY Ltd	Australia	Ordinary	100
Air Charter Corporation Ltd	G B	Ordinary	100
Hunt & Palmer India Air Charter Pvt Ltd	India	Ordinary	75
Premier Aviation (UK) Limited	G B	Ordinary	100
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 & Palmer (Projects) Limited	Dormant
Hunt & Palmer Hong Kong Ltd	Air brokers
Hunt & Palmer PTY Ltd	Air brokers
Air Charter Corporation Ltd	Dormant
Hunt & Palmer India Air Charter Pvt Ltd	Air brokers
Premier Aviation (UK) Limited	Air brokers

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

12 Acquisitions

On 31 May 2011, Hunt & Palmer plc acquired 100% of the ordinary share capital of Premier Aviation (UK) Limited. The final consideration including costs was £683,791, this comprised net assets on acquisition of £343,693 and goodwill of £340,098. The investment in Premier Aviation (UK) Limited has been included in the consolidated balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Premier Aviation (UK) Limited is as follows:

	Book Value £	Revaluation £	Fair Value £
Debtors	671,718	-	671,718
Cash in bank and in hand	800,238	-	800,238
Creditors due within one year	(1,128,263)	-	(1,128,263)
Net assets	<u>343,693</u>	-	<u>343,693</u>
Positive goodwill arising on acquisition			<u>340,098</u>
			<u>683,791</u>
Satisfied by			
Cash Consideration including costs			<u>683,791</u>

Premier Aviation (UK) Limited contributed to a decrease of £48,014 to the groups operating cashflows, received £384 in respect of interest, paid £29,199 in respect of taxation and utilised £1,450 for capital expenditure.

The performance of Premier Aviation (UK) Limited for the period from the beginning of its financial period, 1 January 2011, to the date of acquisition is as follows:

	£
Turnover	<u>1,638,502</u>
Operating loss	<u>(28,880)</u>
Loss before tax	<u>(28,945)</u>
Taxation	<u>-</u>
Loss after tax	<u>(28,945)</u>

The profit after tax for the 12 month period ended 31 December 2010 was £104,426.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

13 Debtors

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade debtors	1,429,055	1,263,993	1,385,704	1,372,865
Amounts owed by group undertakings	-	-	20,493	17,576
Amounts owed by participating interests	42,761	24,942	-	-
Other debtors	42,498	55,281	68,064	47,996
Prepayments and accrued income	1,774,228	999,194	1,687,760	740,030
	<u>3,288,542</u>	<u>2,343,410</u>	<u>3,162,021</u>	<u>2,178,467</u>

14 Creditors . amounts falling due within one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade creditors	695,537	1,019,810	675,624	1,082,670
Amounts owed to group undertakings	-	-	21,170	-
Corporation tax	80,478	92,143	80,500	102,002
Other taxes and social security costs	186,604	130,409	178,621	125,436
Directors current accounts	7,586	-	7,586	-
Other creditors	11,761	6,014	-	-
Accruals and deferred income	3,720,311	2,995,639	3,115,254	2,589,395
	<u>4,702,277</u>	<u>4,244,015</u>	<u>4,078,755</u>	<u>3,899,503</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 January 2011	24,850
Profit and loss account	(9,121)
Balance at 31 December 2011	<u>15,729</u>

Company

Balance at 1 January 2011	24,850
Profit and loss account	(4,694)
Balance at 31 December 2011	<u>20,156</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accelerated capital allowances	<u>15,729</u>	<u>24,850</u>	<u>20,156</u>	<u>24,850</u>

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 £169,591 (2010: £147,837) represents contributions paid by the company to the fund. At the balance sheet date there are no outstanding contributions.

17 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
5,000,100 Ordinary shares of 1p each	<u>50,001</u>	<u>50,001</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

18 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 January 2011	814,815
Profit for the year	329,072
Foreign currency translation differences	12,181
Balance at 31 December 2011	<u>1,156,068</u>

Company

	Profit and loss account £
Balance at 1 January 2011	732,271
Profit for the year	403,722
Balance at 31 December 2011	<u>1,135,993</u>

19 Reconciliation of movements in shareholders' funds Group

	2011 £	2010 £
Profit for the financial year	329,072	718,448
Other recognised gains and losses	12,181	(56,110)
Net addition to shareholders' funds	<u>341,253</u>	<u>662,338</u>
Opening shareholders' funds	864,816	202,478
Closing shareholders' funds	<u>1,206,069</u>	<u>864,816</u>

	2011 £	2010 £
Profit for the financial year	403,722	488,306
Opening shareholders' funds	<u>782,272</u>	<u>293,966</u>
Closing shareholders' funds	<u>1,185,994</u>	<u>782,272</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

20 Financial commitments

Group

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within one year	3,221	-	-	-
Between two and five years	-	-	8,348	8,348
In over five years	43,500	43,500	-	-
	<u>46,721</u>	<u>43,500</u>	<u>8,348</u>	<u>8,348</u>

Company

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Between two and five years	-	-	8,348	8,348
In over five years	43,500	43,500	-	-
	<u>43,500</u>	<u>43,500</u>	<u>8,348</u>	<u>8,348</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

21 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	1,107,662	1,140,361
Company pension contributions to defined contribution schemes	139,637	121,496
	<u>1,247,299</u>	<u>1,261,857</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2010 - 6)

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 3 (2010- 3)

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

Remuneration for qualifying services	234,391	271,269
Company pension contributions to defined contribution schemes	<u>30,000</u>	<u>21,500</u>

22 Employees

Number of employees

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

	2011 Number	2010 Number
Administration and sales	<u>62</u>	<u>43</u>

Employment costs

	2011 £	2010 £
Wages and salaries	2,476,445	2,245,389
Social security costs	280,728	253,717
Other pension costs	<u>169,591</u>	<u>147,837</u>
	<u>2,926,764</u>	<u>2,646,943</u>

23 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 2011

24 Related party transactions

Company

The company has taken advantage of the exemption available in accordance with FRS8 'Related party disclosures not to disclose transactions entered into between two or more members of the group provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

During the year, Hunt and Palmer plc received a dividend of £Nil (2010 £100,000) from Driven Worldwide Ltd, a 40% associated undertaking of Hunt and Palmer plc

Included in debtors is £13,232 (2010 £5,153) owed by HPMS Ltd a company under the direct control of the directors. During the year Hunt and Palmer plc provided services totalling £18,385 (2010 £12,332) to HPMS Ltd

Debtors also includes £29,063 (2010 £796 credit balance) due from Hunt & Palmer Travel Services Ltd. Included in other income in Hunt and Palmer Plc is £47,441 (2010 £17,245) in respect of its share of commissions earned from Hunt and Palmer Travel Services Ltd

During the year the company paid rent of £43,500 (2010 £43,500) to Hunt and Palmer Plc Retirement Benefit Scheme, a scheme under the control of the directors

Included in debtors at the year end is £3,861 (2010 £14,685) due from Hunt and Palmer India Air Charter Pvt Ltd, a 75% subsidiary of the group. During the year Hunt and Palmer plc also incurred expenses of £1,450 (2010 £6,175) on behalf of this subsidiary

During the year the company was charged £3,759 by Mono Europe Limited for office furniture and £7,500 by Sapwood Homes Limited for office refurbishment work. Both of these companies are under the control of members of directors' close families. There is a nil balance in the creditors ledger in respect of these companies at the balance sheet date