

Company Registration No 02027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012



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 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The Company's core business is that of aircraft charter brokers, offering bespoke air charter solutions to a diverse client base including private individuals, corporate bodies, Government departments and NGO's. In addition the Company also provides a range of other travel related products and services. Hunt & Palmer operates in a global market and conducts its business throughout the world via a network of satellite offices and subsidiary companies in Europe, Asia, Australia and the USA.

Despite the challenging market conditions brought about through the continuing economic recession, which has been particularly prevalent for countries in the Euro zone during this period, the Company continues to trade profitably and the directors are pleased to report business growth for the group overall of around 3.6% over the preceding financial period. However despite this increase, group profits for 2012 are reduced in comparison to 2011. One contributory factor as detailed elsewhere in this report, was the Company's significant investment in the new cargo operation during 2012, which has necessarily impacted on the level of profits declared. Further considerations for this outcome are the highly competitive markets during the period, which have seen margins cut markedly throughout the industry and also the notable reduction of that business able to be realised from the Meetings, Conference and Incentive (MICE) sector, a core market yet to show any signs of meaningful recovery since the onset of recession and which continues to trade below expectations.

The number of large overseas conference and incentive events requiring air charter in 2012 has reduced significantly, impacting on the profitability of the Company's Commercial Aviation activity for a third year. The division has however continued to benefit from an amount of UN sponsored relief work, primarily originating in North Africa and this has helped to offset the reduction in business realised from the conference and incentive markets. The Company is renowned for its extensive experience and flexible approach to such operations and as a consequence remains a key provider of flights to these agencies.

The European markets have remained sluggish primarily as a result of the Euro crisis engulfing a number of member states and business from within this region subsequently declined during the 2012 period. However whilst this had a predictable impact on the Company's European business, increased revenue has been achieved from the more buoyant US markets, where a number of major financial institutions in North America continue to rely upon the services of Hunt & Palmer for their private air travel requirements. This has further strengthened the Company's Business Aviation activities in that region where more positive indications of recovery have been seen than have been evident in the European states.

Notwithstanding the issues highlighted in Europe, the Company's UK operations for the period have shown a percentage sales increase significantly higher than the group consolidated figure, which is in part attributable to an amount of additional business brought to the Group through its acquisition of Premier Aviation (UK) Ltd, in May 2011 as part of the director's growth strategy for the Hunt & Palmer group.

In early 2012 the Board implemented the plan detailed in their 2011 report, to consolidate the offices and resources used by Premier Aviation into the Group's head office facilities at Crawley and as predicted this has resulted in a significant cost saving for the newly acquired entity. The reduction of overheads together with the securing of a number of high end music tours saw Premier Aviation returned to profit by the end of 2012 and that company making a contribution to the Group's consolidated accounts for the period.

Premier Aviation continues to enjoy considerable support from all its major clients within the music entertainment industry from which it draws its core business and by the end of the first quarter of 2013 has secured a number of high profile operations for the summer season which it is expected will ensure that entity's profitability for the year.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

The policy of the Hunt & Palmer Board to make investment for growth has been continued during 2012 with the formation of a new subsidiary, Hunt & Palmer Cargo Charters Ltd

The Directors set up the entity with the intention of targeting opportunities in the global freight charter markets and to further enhance the Hunt & Palmer product offering to existing clients in need of such services, particularly those working in the humanitarian, energy and music tour sectors. As previously reported the entity was set running in April 2012 however full trading did not commence until November and this provided insufficient time for it to contribute towards the group accounts in the 2012 period.

The global freight markets are highly competitive and present a number of challenges for a new entrant yet Hunt & Palmer Cargo Charters has quickly positioned itself as a viable alternative to the existing air charter providers, with the majority of sales activity so far arising from clients in the USA and Asia.

Post year end the Directors are able to report that in the first half of 2013, the cargo division has secured a number of lucrative contracts setting a good foundation for the year ahead. As the volume of business generated by the new entity has risen, further investment is being made to expand the cargo broking team in order to meet this increased demand. The Hunt & Palmer Board are encouraged by the levels of activity and envisage that a contribution to the group accounts will be realised at the conclusion of the 2013 financial period.

During 2012, administrative matters in France relating to the previously reported liquidation of Hunt et Palmer Voyage SARL in late 2008 have been ongoing however the Company's exposure to legal costs in this respect were reduced significantly in the period as the majority of such expenses were met from the Company's liability insurance policies. Some additional costs in relation to the continuing proceedings in respect of this matter are expected to be incurred in the coming period and these should also be borne primarily through the Company's insurances.

Post year end it is possible for the Directors to report that these matters in France are nearing conclusion and the Board reasonably expects the outstanding issues to be finalised during the second half of 2013.

The Directors forecast that during the next period business across most markets will continue to be slow and they are mindful that new initiatives must be introduced by the Company in order that continued growth and profitability may be realised in the difficult and challenging global aviation markets in which the Company operates. The Directors are confident the Company remains in a strong position to do this and is able to meet the challenges presented.

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

Financial

In response to the predicted difficult trading condition, the Board have identified the need to maintain stringent financial control over all areas of the Company's operations while at the same time introducing measures that will not limit the Company's ability to trade effectively and in accordance with its stated aims.

Managers have been closely consulted during the preparation of annual budgets and are expected to deliver the service levels required within those financial parameters in order to meet the needs of the business.

The Board will regularly evaluate the financial performance of all sections during the period to ensure that the Company is achieving these objectives.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Clients

This is a two part performance indicator based on client retention and client acquisition and the Board has set what it considers to be attainable targets for both of these in the coming year

The Directors are pleased to note that the Company continues to enjoy a significant level of client retention and repeat business despite the increasingly competitive trading environment in most of the markets in which it operates

As previously identified, the Directors expect that there will be further business opportunities created through the introduction of new commercial projects implemented across the Hunt & Palmer group and the Board are committed to ensuring that the necessary resources will be made available to exploit these when they arise

The Company places considerable importance on maintaining and developing the client relationship and this is of particular relevance in those markets where growth is expected to be limited during the coming period and in which client retention is key to maintaining market share. During 2012 the Company has made further investment to its CRM technology in order to enhance the tools available to its broking and sales teams for this purpose

In addition, the Board have initiated a full and independent review of the Company's sales and marketing processes as part of a planned evaluation of its business sales activities

Employees

The Directors are pleased to note that staff retention levels continue to be at a level higher than the industry average with the mean service of its senior staff excluding directors being 10.05 years

Management are actively encouraged by the Directors to develop and maintain good relations with the employees and the Board is justifiably proud of the Company's record as a good and responsible employer

During 2012 the Company made six new staff appointments and in the same period, there were two leavers. The Directors also record with considerable sadness the sudden death in that year of a senior and long serving staff member whose contribution to the success of the Company over a number of years is recognised by the Board

The Company remains wholly supportive of persons seeking a career within the aviation industry and in 2012 provided two internships for newly qualified graduates

The Directors understand the importance and value of the Company's human resources investment and has in place the necessary training and development policies needed to encourage staff to develop their careers and skill sets within the organisation

In early 2012 the Company submitted for reassessment of its "Investors in People" accreditation, which it has held since 2000. The Directors are proud to report that on this occasion the Company achieved the higher level Bronze award in recognition of meeting an enhanced standard of compliance. The criteria laid down by the Investors in People standard will be used by the Company as a performance indicator of success in these areas

The Company actively embraces the ethos behind the Investors in People Scheme and seeks to ensure this is adopted throughout the organisation. These efforts have been further recognised by the UK Commission for Employment & Skills in 2012 with the award to Premier Aviation (UK) Ltd of their first Investors in People accreditation

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012

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 groups 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 13 days (2011: 9 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. 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

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

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
21st June 2013

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 2012 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 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 2012 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

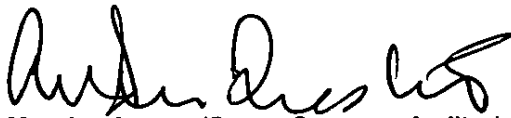
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

25 June 2013

**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 2012

	Notes	2012 £	2011 £
Turnover	2	40,852,628	39,239,397
Cost of sales		(35,803,970)	(34,251,870)
Gross profit		5,048,658	4,987,527
Administrative expenses		(4,872,296)	(4,526,606)
Operating profit	3	176,362	460,921
Income from interests in associated undertakings		26,000	27,941
Investment income	4	324	298
Other interest receivable and similar income		3,591	1,984
Interest payable and similar charges	5	(118)	(127)
Profit on ordinary activities before taxation		206,159	491,017
Tax on profit on ordinary activities	6	(63,067)	(161,945)
Profit on ordinary activities after taxation		143,092	329,072

The profit and loss account has been prepared on the basis that all operations are continuing operations

HUNT AND PALMER PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
Profit for the financial year	143,092	329,072
Currency translation differences on foreign currency net investments	2,674	12,181
Total recognised gains and losses relating to the year	<u>145,766</u>	<u>341,253</u>

HUNT AND PALMER PLC

BALANCE SHEETS

AS AT 31 DECEMBER 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	8	306,088	323,093	-	-
Tangible assets	9	140,321	163,318	133,227	157,073
Investments	10	10,672	10,672	740,591	740,591
		<u>457,081</u>	<u>497,083</u>	<u>873,818</u>	<u>897,664</u>
Current assets					
Debtors	11	3,195,036	3,288,542	2,975,129	3,162,021
Cash at bank and in hand		1,949,983	2,138,450	1,173,774	1,225,220
		<u>5,145,019</u>	<u>5,426,992</u>	<u>4,148,903</u>	<u>4,387,241</u>
Creditors: amounts falling due within one year	12	<u>(4,209,211)</u>	<u>(4,702,277)</u>	<u>(3,632,538)</u>	<u>(4,078,755)</u>
Net current assets		<u>935,808</u>	<u>724,715</u>	<u>516,365</u>	<u>308,486</u>
Total assets less current liabilities		<u>1,392,889</u>	<u>1,221,798</u>	<u>1,390,183</u>	<u>1,206,150</u>
Provisions for liabilities	13	<u>(15,412)</u>	<u>(15,729)</u>	<u>(20,157)</u>	<u>(20,156)</u>
		<u>1,377,477</u>	<u>1,206,069</u>	<u>1,370,026</u>	<u>1,185,994</u>
Capital and reserves					
Called up share capital	16	50,001	50,001	50,001	50,001
Profit and loss account	17	1,327,476	1,156,068	1,320,025	1,135,993
Shareholders' funds	18	<u>1,377,477</u>	<u>1,206,069</u>	<u>1,370,026</u>	<u>1,185,994</u>

Approved by the Board and authorised for issue on

21st June 2013


J F Palmer
Director

Company Registration No 02027063

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	£	2012 £	£	2011 £
Net cash outflow from operating activities		(194,360)		(369,920)
Returns on investments and servicing of finance				
Interest received	3,591		1,984	
Interest paid	(118)		(127)	
Dividends received	324		298	
Net cash inflow for returns on investments and servicing of finance		3,797		2,155
Taxation		(65,439)		(182,731)
Capital expenditure				
Payments to acquire tangible assets	(12,873)		(12,922)	
Receipts from sales of tangible assets	(182)		1,126	
Net cash outflow for capital expenditure		(13,055)		(11,796)
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 before management of liquid resources and financing		(269,057)		(445,845)
Increase/(Decrease) in cash in the year		(269,057)		(445,845)

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

1	Reconciliation of operating profit to net cash outflow from operating activities	2012	2011
		£	£
	Operating profit	176,362	460,921
	Depreciation of tangible assets	35,903	41,723
	Amortisation of intangible assets	17,005	17,005
	Loss on disposal of tangible assets	182	1,235
	Decrease/(increase) in debtors	93,506	(311,694)
	Increase/(decrease) in creditors	(545,601)	(592,115)
	Net effect of foreign exchange differences	2,641	13,005
	Other reserve movement	25,642	-
	Net cash outflow from operating activities	(194,360)	(369,920)

2	Analysis of net funds	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	2,138,450	(188,467)	-	1,949,983
	Bank overdrafts	-	(80,590)	-	(80,590)
	Net funds	2,138,450	(269,057)	-	1,869,393

3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Decrease in cash in the year	(269,057)	(445,845)
	Movement in net funds in the year	(269,057)	(445,845)
	Opening net funds	2,138,450	2,584,295
	Closing net funds	1,869,393	2,138,450

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

Based on projections to 31 December 2013, 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 2012

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

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 2012

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.

1.13 Share-based payments

The group has issued share options to certain directors. These must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair value of the options was estimated at the date of grant. The fair value will be charged as an expense in the profit and loss account over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

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.

	2012 £	2011 £
Geographical segment		
United Kingdom	17,645,415	11,063,114
Europe	6,388,733	13,470,263
Rest of World	16,818,480	14,706,020
	<u>40,852,628</u>	<u>39,239,397</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	17,005	17,005
	Depreciation of tangible assets	35,903	41,723
	Loss on disposal of tangible assets	182	1,235
	Loss on foreign exchange transactions	75,278	6,656
	Operating lease rentals	73,440	68,634
	Auditors' remuneration		
	Audit of the parent company	21,750	20,435
	Audit of subsidiary companies	8,250	7,500
	Under/(over) provision in respect of previous year's audit		
	Tax services	1,250	1,250
	Other services	5,160	6,356
	and after crediting		
	Profit on foreign exchange transactions	(1,702)	(20,697)
		<u></u>	<u></u>
4	Investment income	2012	2011
		£	£
	Income from fixed asset investments	324	298
		<u></u>	<u></u>
5	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	118	127
		<u></u>	<u></u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

6	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	33,543	35,600
	Foreign corporation tax		
	Foreign corporation tax	29,524	131,039
	Total current tax	63,067	166,639
	Deferred tax		
	Deferred tax charge/credit current year	-	(4,694)
		63,067	161,945
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	206,159	491,017
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	49,478	127,664
	Effects of:		
	Non deductible expenses	12,686	4,950
	Depreciation add back	6,806	10,267
	Capital allowances	(4,680)	(7,575)
	Tax losses utilised	(4,835)	321
	Dividends and distributions received	(24,112)	(77,942)
	Group tax relief	(13,091)	-
	Other tax adjustments	40,815	108,954
		13,589	38,975
	Current tax charge for the year	63,067	166,639
7	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		
		2012	2011
		£	£
	Holding company's profit for the financial year	158,390	403,722

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

8 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2012 & at 31 December 2012	340,098
Amortisation	
At 1 January 2012	17,005
Charge for the year	17,005
At 31 December 2012	34,010
Net book value	
At 31 December 2012	306,088
At 31 December 2011	323,093

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9 Tangible fixed assets

Group	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2012	453,727	67,335	521,062
Exchange differences	(302)	(326)	(628)
Additions	12,873	-	12,873
Disposals	(1,484)	-	(1,484)
At 31 December 2012	464,814	67,009	531,823
Depreciation			
At 1 January 2012	315,853	41,891	357,744
Exchange differences	(564)	(97)	(661)
On disposals	(1,484)	-	(1,484)
Charge for the year	29,693	6,210	35,903
At 31 December 2012	343,498	48,004	391,502
Net book value			
At 31 December 2012	121,316	19,005	140,321
At 31 December 2011	137,874	25,444	163,318

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

Tangible fixed assets

Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2012	444,348	62,537	506,885
Additions	9,826	-	9,826
At 31 December 2012	454,174	62,537	516,711
Depreciation			
At 1 January 2012	310,982	38,830	349,812
Charge for the year	27,801	5,871	33,672
At 31 December 2012	338,783	44,701	383,484
Net book value			
At 31 December 2012	115,391	17,836	133,227
At 31 December 2011	133,366	23,707	157,073

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

10 Fixed asset investments Group

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 January 2012 & at 31 December 2012	2,672	8,000	10,672
Net book value			
At 31 December 2012	2,672	8,000	10,672
At 31 December 2011	2,672	8,000	10,672
Market value			Total
	£		£
At 31 December 2012	9,882		9,882
At 31 December 2011	8,515		8,515

Company

	Listed investments £	Unlisted investments £	Shares in group undertakings £	Total £
Cost				
At 1 January 2012 & at 31 December 2012	2,672	8,000	753,389	764,061
Provisions for diminution in value				
At 1 January 2012 & at 31 December 2012	-	-	23,470	23,470
Net book value				
At 31 December 2012	2,672	8,000	729,919	740,591
At 31 December 2011	2,672	8,000	729,919	740,591

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

	Market value £	Total £
At 31 December 2012	9,882	9,882
At 31 December 2011	8,515	8,515

Holdings of more than 20%

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

10 Fixed asset investments

(continued)

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

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Hunt & Palmer Cargo Charters 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
H&P Inc (USA)	U S A	Ordinary	100
Other significant interests			
Driven Worldwide Limited	G B	Ordinary	24
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 Cargo Charters Limited	Air brokers
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
H&P Inc (USA)	Dormant

11 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	1,209,124	1,429,055	1,028,017	1,385,704
Amounts owed by group undertakings	-	-	136,050	20,493
Amounts owed by participating interests	55,330	42,761	-	-
Other debtors	92,391	42,498	133,494	68,064
Prepayments and accrued income	1,838,191	1,774,228	1,677,568	1,687,760
	<u>3,195,036</u>	<u>3,288,542</u>	<u>2,975,129</u>	<u>3,162,021</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

12 Creditors amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	80,590	-	72,115	-
Trade creditors	1,273,175	695,537	1,096,526	675,624
Amounts owed to group undertakings	-	-	572	21,170
Corporation tax	78,423	80,478	59,400	80,500
Taxes and social security costs	136,183	186,604	122,423	178,621
Directors current accounts	-	7,586	-	7,586
Other creditors	44,828	11,761	30,793	-
Accruals and deferred income	2,596,012	3,720,311	2,250,709	3,115,254
	<u>4,209,211</u>	<u>4,702,277</u>	<u>3,632,538</u>	<u>4,078,755</u>

13 Provisions for liabilities

Group

	Deferred taxation £
Balance at 1 January 2012	15,729
Profit and loss account	(317)
Balance at 31 December 2012	<u>15,412</u>

Company

Balance at 1 January 2012 & at 31 December 2012	20,157
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The deferred tax liability is made up as follows.

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	<u>15,412</u>	<u>15,729</u>	<u>20,157</u>	<u>20,156</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

14 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 £386,633 (2011: £169,591) represents contributions paid by the company to the fund. At the balance sheet date there are no outstanding contributions.

15 Share-based payment transactions

Hunt & Palmer Plc operates a share option scheme for 3 of its directors. At 31 December 2012 full provision has been made for the estimated value of the options granted (128,208 share options). There are no performance criteria linked to their award. No options have yet vested, the option life is a period of 10 years from July 2010. The option price is 1p per share and the agreed market value at date of grant is 21p.

16 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
5,000,100 Ordinary shares of 1p each	50,001	50,001

17 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 January 2012	1,156,068
Profit for the year	143,092
Share based payment transactions	25,642
Foreign currency translation differences	2,674
Balance at 31 December 2012	1,327,476

Company

	Profit and loss account £
Balance at 1 January 2012	1,135,993
Profit for the year	158,390
Share based payment transactions	25,642
Balance at 31 December 2012	1,320,025

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

18 Reconciliation of movements in shareholders' funds		2012	2011
Group		£	£
Profit for the financial year		143,092	329,072
Other recognised gains and losses		2,674	12,181
Share based payment transactions		25,642	-
Net addition to shareholders' funds		171,408	341,253
Opening shareholders' funds		1,206,069	864,816
Closing shareholders' funds		1,377,477	1,206,069
Company		2012	2011
		£	£
Profit for the financial year		158,390	403,722
Share based payment transactions		25,642	-
Opening shareholders' funds		1,185,994	782,272
Closing shareholders' funds		1,370,026	1,185,994

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

20 Directors' remuneration	2012 £	2011 £
Remuneration for qualifying services	999,172	1,107,662
Company pension contributions to defined contribution schemes	307,101	139,637
	<u>1,306,273</u>	<u>1,247,299</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2011 - 6)

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 3 (2011- 3)

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

Remuneration for qualifying services	215,011	234,391
Company pension contributions to defined contribution schemes	<u>87,000</u>	<u>30,000</u>

21 Employees

Number of employees

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

	2012 Number	2011 Number
Administration and sales	<u>64</u>	<u>62</u>

Employment costs

	2012 £	2011 £
Wages and salaries	2,460,189	2,476,445
Social security costs	289,599	280,728
Other pension costs	386,633	169,591
Costs of share option scheme	<u>25,642</u>	<u>-</u>
	<u>3,162,063</u>	<u>2,926,764</u>

22 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 2012

23 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

Included in debtors at the year end is £17,515 (2011 £3,861) 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 £1,948 (2011 £1,450) on behalf of this subsidiary. Hunt & Palmer Plc provided a deposit to the bank as guarantee for Hunt and Palmer India Air Charter Pvt Ltd, at the year-end the balance held by the bank was £47,192 (2011 £nil)

Debtors include £356 (2011 £13,232) owed by HPMS Ltd, a company under the direct control of the directors. During the year HPMS Ltd provided services totalling £4,031 to Hunt & Palmer Plc (2011 £18,385 of services provided by Hunt & Palmer Plc to HPMS Ltd)

Debtors also includes £50,831 (2011 £29,063) due from Hunt & Palmer Travel Services Ltd. The group's share of profits from Hunt & Palmer Travel Services Ltd for the year is £26,000 (2011 £27,941) in respect of its share of commissions earned from Hunt & Palmer Travel Services Ltd

During the year the company paid rent of £43,500 (2011 £43,500) to Hunt and Palmer Plc Retirement Benefit Scheme, a scheme under the control of the directors

During the year the company was charged £3,340 (2011 £3,759) by Mono Europe Limited for office furniture and £29,296 (2011 £7,500) by Sapwood Homes Limited for office refurbishment work. These companies are under the control of members of certain directors' close families. There is a nil balance in the creditors ledger in respect of these companies at the balance sheet date

During the year a staff loan was made to one of the directors M Jenkinson, of which £1,086 was still outstanding at the year end (2011 £nil)