

Company Registration No. 02027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014



HUNT AND PALMER PLC

DIRECTORS AND ADVISERS

Directors	P R Hunt J S Martin J F Palmer S Edwards N Harvey M Jenkinson
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, Goffs Park Road Crawley RH11 8XX
Bankers	National Westminster Bank plc 125 Great Portland Street London W1A 1GA

HUNT AND PALMER PLC

CONTENTS

	Page
Strategic report	1 - 5
Directors' report	6 - 7
Independent auditors' report	8 - 9
Consolidated profit and loss account	10
Statement of recognised gains and losses	11
Balance sheets	12
Consolidated cash flow statement	13
Notes to the consolidated cash flow statement	14
Notes to the financial statements	15 - 29

HUNT AND PALMER PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Group Overview

The Hunt & Palmer Group is an international trading organisation whose core business activity is that of aircraft charter broking

The Group enjoys a diverse portfolio of clients, including private individuals, corporate entities, government departments and NGO's and delivers its services through a growing network of satellite offices, subsidiary entities and GSA partners in the UK, Europe, Asia, Australia and the USA.

Aircraft charter brokers act as intermediaries within the aviation industry between the end user and the aircraft operator. They utilise their skills in the ad-hoc markets where the flexibility of travel by senior executives and HNW individuals or a sudden surge in the demand for air transport movements in response to unforeseen circumstances such as natural disasters and emergencies, require a high level of experience and expertise to secure the right aircraft at the right price within a narrow time frame.

Other commercial interests of the Group include the DMC (note 1) representation services of HPMS Ltd (note 2) and business travel agency activities of Hunt & Palmer Travel Services Ltd, a joint venture with corporate travel partner CTT Group. Although these ancillary projects presently account for just a small proportion of the group's overall revenues, the Board considers they enhance the product offering of the Group.

Post year end, the diversification of the group's services has been further expanded with the formation of Hunt & Palmer Yachts Ltd, a yacht charter broking operation and 76% owned subsidiary that was incorporated in January 2015. The decision to proceed with this venture was made following consideration by the Board of the private yacht charter broking business overall and Hunt & Palmer's ability to enter that competitive market and benefits this might realise.

The Directors consider that, in terms of revenue and organisational structure of its core business, Hunt & Palmer is presently placed as the number four broking company in the UK. There are around eighty other aircraft charter brokerages currently active in the UK to some degree or other; these are generally considerably smaller entities, often with just one or two staff operating from a SOHO type (note 3) setup.

The Group currently employs 57 staff (30 male and 27 female) and in addition retains under contract a number of independent GSA's providing sales and promotional activities in several overseas locations. For the year ending 31 December 2014, the Group recruited a total of six staff, including the non-board appointment for a Director of Group Sales, and had two leavers thereby increasing the overall headcount in the period by four. The average length of service for employees during the period, excluding the Directors, is 6.35 years.

Notes:

1. Abbr. for term Destination Management Company
2. This company trades as 'Destinations'
3. Acronym for Small Office/Home Office

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

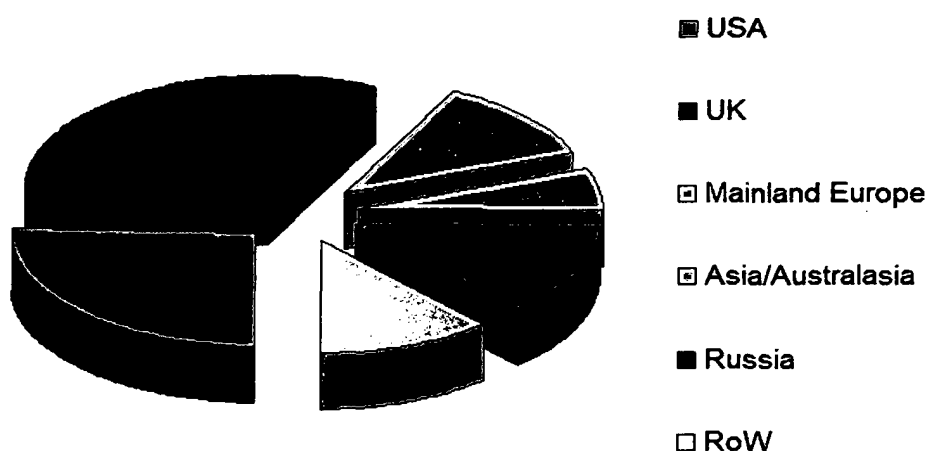
Performance

Trading conditions during the 2014 period have seen a noticeable improvement over those of recent years and the margins achieved have moved closer to the levels of those enjoyed prior to the onset of global recession in 2008. As a result, the Directors are pleased to note that the Profit & Loss statement for the 2014 period shows an operating profit of £393,860, a significant rise over the figure for the 2013 period, even taking into account that the operating profit in that year was considerably reduced due to the award of share options to key members of the senior management team during 2013. Profit after tax is £393,168 compared with £1,267,329. 2013 included an exceptional profit of £1,285,520 from the sale of the group's investment in Driven Worldwide Limited (note 4).

Across most sectors of the Group's business, the enquiry levels rose during the period by as much as 18%, although the 'enquiry to booking ratio' has remained constant in comparison to previous years. Despite an apparent upturn seen across the aviation industry overall, the aircraft charter market remains acutely competitive with a number of established broking companies still choosing to quote exceptionally low rates to clients however the decision taken by the Hunt & Palmer Board not to join in this 'race to the bottom' has proven to be a sound one as can be seen from the end of year results.

Economic recovery for most Eurozone countries remains slow and the much publicised problems being experienced by the Russian economy has contributed to challenging trading conditions in these regions.

Geographical breakdown of the Group's business during the period:



After several lean years for the Conference and Incentive travel industry, the Group's Commercial Aviation division has seen a welcome up turn in business from this sector during the period. This, together with additional revenue streams from other client markets requiring the charter of commercial airliners, has helped to improve results for the section overall by 52% on the previous year.

Notes:

4. The Directors agreed the disposal of the Company's 24% shareholding in Driven Worldwide Ltd as part of a full sale of that entity in August 2013. The disposal of this asset was recorded in the Company's Annual Report of that year.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Demand for private jets from within certain corporate sectors has increased slightly during the year however overall the Group's Executive Aviation division has seen the requirement from business and HNW clients during 2014 remain consistent with the level shown in the previous year. Nevertheless, a modest increase in revenues for the section was achieved from these highly competitive markets and once again a good level of repeat business has been retained from many blue chip clients.

The Asian markets have continued to disappoint and little meaningful business has been realised from activities in the emerging economies of China and India. Efforts to establish business in India has, for a third year, failed to meet the projected targets and the Board have consequently elected to undertake a full review of the current strategy and future prospects for growth in that country. Notwithstanding, the Directors have pledged the Company's continued support for its Indian subsidiary during the next period.

Hunt & Palmer Cargo Charters Ltd, now in its third year of operation, enjoyed another period of exceptional business growth, realising a significant increase in volume of booked business and a resultant 45% increase of revenue over the previous year. In sharp contrast to the present situation concerning passenger charter activities in Asia, around 25% of cargo business originated from within this region.

Premier Aviation (UK) Ltd, the Hunt & Palmer Group's music tour specialists, experienced a difficult trading year in 2014 with several of the anticipated high profile tours being postponed. Post year end however, the Directors are pleased to note that Premier Aviation has a good number of forward booked tours which will be operating during 2015 and the entity is therefore expected to return significantly improved results at the end of the forthcoming period.

For the Group overall, early indicators are that 2015 has maintained the forward momentum gained during 2014 and it is expected that the new found confidence being shown in the aircraft charter industry generally will continue throughout the period.

The Directors are agreed that the Group will continue to follow its previously outlined strategy for growth through organic development and acquisition of compatible businesses as identified by the Board from time to time. In addition, the Directors have made the decision to increase activity in North America and to expedite this, will appoint a local manager with responsibility for developing business opportunities within the Commercial Aviation markets to work alongside our current sales efforts in the United States. As part of this new business plan it is the intention that Hunt & Palmer USA Inc, presently dormant, will be activated during 2015.

External forces continue to shape the dynamics of the aircraft charter industry and the Directors believe that the Group must act swiftly and decisively to adjust its strategies and attitudes as the charter business continues to evolve.

Mindful of the important role technology plays in today's commerce and industry, the Directors have committed to further investment in the development of the Group's in-house IT resources, the development of its bespoke charter management software and the enhancement of its online presence. A complete refresh of the Group's website undertaken during the third quarter of 2014 was well received by its clients and this project included the creation of a mobile device friendly platform in preparation of the anticipated changes to the Google search engine. These actions together with targeted digital marketing has resulted in a notable increase of enquires generated for the Group's services online.

Whilst change is a necessary part of growth, the Directors recognise that the culture, ethos and ethic of the Hunt & Palmer organisation, which is acknowledged and respected by clients and suppliers alike, must not be overlooked nor undervalued and that due regard should always be given to the founding principles on which this successful Company and Group has been built.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

KPIs

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

1. Financial

The Board have identified the need to invest further in certain areas of the Group's operations in order to benefit from the early signs of economic recovery. To ensure that funds are properly managed and that such monies be available when required, it is important that all departments continue to observe reasonable levels of financial restraint when submitting their budgets for the period and managers will be expected to deliver the service levels required within those financial parameters.

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

2. Clients

The Directors are pleased to note that the Group continues to enjoy a significant level of client retention and repeat business in most of the markets in which it operates. The Board considers that the retention of existing clients and the acquisition of new or dormant ones are fundamental for the continued success of the organisation and have identified these as being key factors for the growth of the business.

Considerable importance is placed on maintaining and developing the client relationship and the Directors understand fully the importance of CRM technology in respect of this. During the 2014 period further investment has been set aside for the continued development of the Group's in-house systems and the training resources necessary to ensure staff competence in its use. The Board will continue to monitor these areas during the forthcoming period to determine the level of return realised on that investment and will be evaluating both the software and procedures used to ascertain if further resources are required.

3. Employees

The Directors are proud of the investment in Human Resources and managers are actively encouraged by the Board to develop and maintain good relations with their staff and other employees. The Directors consider that the Group has an excellent record as a good and responsible employer and believe this can be measured through

- Excellent staff retention
- Sickness absences below the National average
- Low occurrences of disciplinary or grievance matters

The Directors have put in place the necessary training and development policies needed to encourage staff to further their careers and skills within the organisation and thereby feel they are a valued member of the workforce.

Underlying this commitment, Hunt & Palmer Plc holds Investors in People Bronze accreditation and management strive to ensure that the criteria of that award are consistently met across the Group. Success in the Investors in People accreditation is held up by the Directors as a Performance Indicator of success in this important area and the Board is committed to raising the accreditation standard at the next review by the awarding authority which is due in 2015.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Risks

1. Competition

With few barriers to entry, the number of air charter broking companies entering the market continues to rise and this may significantly impact market conditions.

The majority of new entrants lack the experience and expertise necessary to fulfil the more complex flight demands of corporate, government or NGO clients and as a consequence these small brokerages tend to concentrate their sales efforts on the private individual travellers looking for the simple A-B flight and to any specialist sectors in which that broker may have previous working experience. Some of these will inevitably include areas which are core markets for the Group.

The business model adopted by many of these start-up businesses means that their operating overheads are significantly lower than that of the larger and more established firms. Their resultant ability and willingness to provide broking services at a margin significantly below traditional expectations forces a highly competitive buyers market. At the same time, the poor standards of broking demonstrated by many of these micro-enterprises do little to enhance the reputation of the broking profession in general.

2. Internet and online broking

Online broking companies continue to push hard for a share of the air charter market and it is the generally held belief of those backing these internet ventures that in the 'on demand' digital society in which we live, an ability to book travel without the need for interaction with a human mediator is the ideal solution for the future of the industry.

Still a comparatively new approach, there are evident limitations for these systems in respect of the market sectors in which they are truly effective however despite some apparent shortcomings for these models, they have appeal to particular clientele profiles. Consequently the Directors are not able to ignore the possible dilution of margins and market share that such businesses may have on certain sectors of the Group's core business. It is the intention of the Board that the ongoing activity of such entities is carefully monitored and that the Group's strategy for combating such should be reviewed regularly to ensure that the business remains competitive in this changing market place.

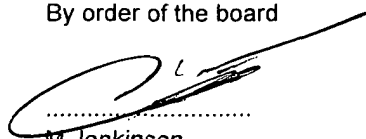
3. Global financial markets

Despite signs of economic recovery now being evident across the UK and Europe it is still at an early stage and the situation remains fragile in many countries. The air charter business is vulnerable to the rise and fall of the world economies and consequently target markets for the Group's services may change to reflect this. The Hunt & Palmer Group has emerged strongly from the global recession however there are still some concerns that markets are a long way from full recovery and the Directors recognise that the business must be ready to react quickly and positively to any future economic crisis or sudden changes in trading conditions.

Conclusion

The Directors are pleased to report that the business remains profitable across the Hunt & Palmer group and they welcome the improved trading conditions seen within several of the markets in which the business has been active during the period. At the same time, some of the Group's traditional markets have receded during the 2014 period as a result of economic or political influences. The Directors are however encouraged that the Group has quickly moved to fill those gaps with new opportunities arising in other areas and this reflects the flexibility and resilience of the Hunt & Palmer organisation.

By order of the board



M Jenkinson
Secretary
19 June 2015

HUNT AND PALMER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The consolidated profit and loss account for the year is set out on page 10.

The directors do not recommend payment of an ordinary dividend (2013: interim ordinary dividend of £1,293,500).

Directors

The following directors have held office since 1 January 2014:

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

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.

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

Goodman Jones LLP were appointed auditors to the company and in accordance with section 489 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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

19 June 2015

HUNT AND PALMER PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HUNT AND PALMER PLC

We have audited the group and parent company financial statements (the "financial statements") of Hunt and Palmer Plc for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic Report and 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

19/6/2018

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 2014

	Notes	2014 £	2013 £
Turnover	2	36,914,501	34,471,629
Cost of sales		(31,461,159)	(29,889,193)
Gross profit		5,453,342	4,582,436
Administrative expenses		(5,059,482)	(4,572,508)
Operating profit	3	393,860	9,928
Income from interests in associated undertakings	7	73,049	38,305
Investment income	4	356	1,285,867
Other interest receivable and similar income		934	652
Interest payable and similar charges	5	(797)	(461)
Profit on ordinary activities before taxation		467,402	1,334,291
Tax on profit on ordinary activities	6	(74,234)	(66,962)
Profit on ordinary activities after taxation		393,168	1,267,329

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 2014

	2014 £	2013 £
Profit for the financial year	393,168	1,267,329
Currency translation differences on foreign currency net investments	4,782	9,629
Total recognised gains and losses relating to the year	<u>397,950</u>	<u>1,276,958</u>

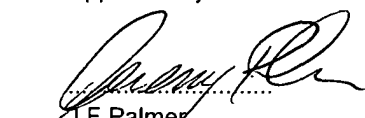
HUNT AND PALMER PLC

BALANCE SHEETS

AS AT 31 DECEMBER 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Intangible assets	9	272,078	289,083	-	-
Tangible assets	10	213,881	118,972	207,516	112,003
Investments	11	2,672	2,672	768,439	768,439
		<u>488,631</u>	<u>410,727</u>	<u>975,955</u>	<u>880,442</u>
Current assets					
Debtors	12	2,609,719	3,497,687	2,087,052	3,173,320
Cash at bank and in hand		2,397,788	2,130,692	1,786,329	1,574,496
		<u>5,007,507</u>	<u>5,628,379</u>	<u>3,873,381</u>	<u>4,747,816</u>
Creditors: amounts falling due within one year	13	(3,578,286)	(4,532,573)	(3,093,390)	(4,138,308)
Net current assets		<u>1,429,221</u>	<u>1,095,806</u>	<u>779,991</u>	<u>609,508</u>
Total assets less current liabilities		<u>1,917,852</u>	<u>1,506,533</u>	<u>1,755,946</u>	<u>1,489,950</u>
Provisions for liabilities	14	(33,526)	(20,157)	(33,526)	(20,157)
		<u>1,884,326</u>	<u>1,486,376</u>	<u>1,722,420</u>	<u>1,469,793</u>
Capital and reserves					
Called up share capital	17	50,001	50,001	50,001	50,001
Profit and loss account	18	1,834,075	1,436,125	1,672,419	1,419,792
Shareholders' funds	20	<u>1,884,076</u>	<u>1,486,126</u>	<u>1,722,420</u>	<u>1,469,793</u>
Minority interests	19	250	250	-	-
		<u>1,884,326</u>	<u>1,486,376</u>	<u>1,722,420</u>	<u>1,469,793</u>

Approved by the Board and authorised for issue on 19 June 2015


J F Palmer
Director

Company Registration No. 02027063

HUNT AND PALMER PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		458,921		339,549
Returns on investments and servicing of finance				
Interest received	934		652	
Interest paid	(797)		(461)	
Dividends received	356		347	
Net cash inflow for returns on investments and servicing of finance		493		538
Taxation		(67,207)		(61,167)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(126,361)		(7,826)	
Receipts from sales of tangible assets	1,250		(65)	
Receipts from sales of investments	-		1,293,520	
Net cash inflow for capital expenditure		(125,111)		1,285,629
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	-		(10,000)	
Sale of subsidiary undertakings (net of cash acquired)	-		250	
Net cash outflow for acquisitions and disposals		-		(9,750)
Equity dividends paid		-		(1,293,500)
Net cash inflow before management of liquid resources and financing		267,096		261,299
Increase in cash in the year		267,096		261,299

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	393,860	9,928
	Depreciation of tangible assets	30,028	29,059
	Amortisation of intangible assets	17,005	17,005
	Loss on disposal of tangible assets	264	121
	Decrease/(increase) in debtors	890,257	(289,352)
	Increase/(decrease) in creditors	(877,185)	437,908
	Net effect of foreign exchange differences	4,692	9,689
	Other reserve movement	-	125,191
	Net cash inflow from operating activities	458,921	339,549

2	Analysis of net funds	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,130,692	267,096	-	2,397,788
	Net funds	2,130,692	267,096	-	2,397,788

3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	Increase in cash in the year	267,096	261,299
	Movement in net funds in the year	267,096	261,299
	Opening net funds	2,130,692	1,869,393
	Closing net funds	2,397,788	2,130,692

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Based on projections to 31 December 2014, 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 2014.

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.

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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

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:

	2014		2013	
	Sales by destination £	Sales by origin £	Sales by destination £	Sales by origin £
Geographical segment				
United Kingdom	20,847,037	35,442,583	18,406,230	32,925,158
Europe	2,204,536	-	1,945,201	-
Rest of World	13,862,928	1,471,918	14,120,198	1,546,471
	<u>36,914,501</u>	<u>36,914,501</u>	<u>34,471,629</u>	<u>34,471,629</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

3	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	17,005	17,005
	Depreciation of tangible assets	30,028	29,059
	Loss on disposal of tangible assets	264	121
	Loss on foreign exchange transactions	4,395	61,376
	Operating lease rentals		
	- Plant and machinery	12,321	6,280
	- Other assets	63,227	61,364
	Auditors' remuneration:		
	Audit of the parent company	36,500	36,500
	Audit of subsidiary companies	10,000	10,000
	Under/(over) provision in respect of previous year's audit		
	Tax services	3,100	3,100
	Pension scheme accounts preparation	2,700	2,700
	Other services	1,000	1,000
	and after crediting:		
	Profit on foreign exchange transactions	(162,953)	(1,192)
		<u></u>	<u></u>
4	Investment income	2014	2013
		£	£
	Income from fixed asset investments	356	1,285,867
		<u></u>	<u></u>
5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	797	424
	Other interest	-	37
		<u></u>	<u></u>
		797	461
		<u></u>	<u></u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	67,827	60,473
	Adjustment for prior years	(25,292)	2,348
		<u>42,535</u>	<u>62,821</u>
	Foreign corporation tax		
	Foreign corporation tax	18,330	-
		<u>60,865</u>	<u>62,821</u>
	Total current tax		
	Deferred tax		
	Deferred tax charge/credit current year	13,369	4,141
		<u>13,369</u>	<u>4,141</u>
		<u>74,234</u>	<u>66,962</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>467,402</u>	<u>1,334,291</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2013 - 23%)	<u>98,154</u>	<u>306,887</u>
	Effects of:		
	Non deductible expenses	8,879	(260,064)
	Depreciation add back	5,963	6,470
	Capital allowances	(28,225)	(4,268)
	Tax losses generated	-	1,011
	Tax losses utilised	(2,196)	4
	Adjustments to previous periods	(25,292)	2,348
	Dividends and distributions received	(75)	(13,893)
	Group tax relief	-	(593)
	Other tax adjustments	3,657	24,919
		<u>(37,289)</u>	<u>(243,173)</u>
	Current tax charge for the year	<u>60,865</u>	<u>62,821</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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:

	2014 £	2013 £
Holding company's profit for the financial year	252,627	1,268,076

8 Dividends

	2014 £	2013 £
Ordinary interim paid	-	1,293,500

9 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2014 & at 31 December 2014	340,098
Amortisation	
At 1 January 2014	51,015
Charge for the year	17,005
At 31 December 2014	68,020
Net book value	
At 31 December 2014	272,078
At 31 December 2013	289,083

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Tangible fixed assets

Group	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2014	432,831	66,319	499,150
Exchange differences	183	(107)	76
Additions	126,361	-	126,361
Disposals	-	(7,000)	(7,000)
At 31 December 2014	559,375	59,212	618,587
Depreciation			
At 1 January 2014	328,413	51,765	380,178
Exchange differences	72	(86)	(14)
On disposals	-	(5,486)	(5,486)
Charge for the year	26,972	3,056	30,028
At 31 December 2014	355,457	49,249	404,706
Net book value			
At 31 December 2014	203,918	9,963	213,881
At 31 December 2013	104,418	14,554	118,972

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Tangible fixed assets

(Continued)

Company	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2014	460,457	62,537	522,994
Additions	124,831	-	124,831
Disposals	-	(7,000)	(7,000)
At 31 December 2014	585,288	55,537	640,825
Depreciation			
At 1 January 2014	362,246	48,745	410,991
On disposals	-	(5,486)	(5,486)
Charge for the year	24,912	2,892	27,804
At 31 December 2014	387,158	46,151	433,309
Net book value			
At 31 December 2014	198,130	9,386	207,516
At 31 December 2013	98,211	13,792	112,003

11 Fixed asset investments Group

	Listed investments £	Total £
Cost		
At 1 January 2014 & at 31 December 2014	2,672	2,672
Net book value		
At 31 December 2014	2,672	2,672
At 31 December 2013	2,672	2,672
	Market value £	Total £
At 31 December 2014	10,316	10,316
At 31 December 2013	12,248	12,248

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Fixed asset investments

(Continued)

Company	Listed investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2014 & at 31 December 2014	2,672	789,237	791,909
Provisions for diminution in value			
At 1 January 2014 & at 31 December 2014	-	23,470	23,470
Net book value			
At 31 December 2014	2,672	765,767	768,439
At 31 December 2013	2,672	765,767	768,439

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 2014	10,316	10,316
At 31 December 2013	12,248	12,248

Holdings of more than 20%

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 and Palmer Cargo Charters Limited	G.B.	Ordinary	75.00
Hunt & Palmer Hong Kong Ltd	Hong Kong	Ordinary	100.00
Hunt & Palmer PTY Ltd	Australia	Ordinary	100.00
Air Charter Corporation Ltd	G.B.	Ordinary	100.00
Hunt & Palmer India Air Charter Pvt Ltd	India	Ordinary	75.00
Premier Aviation (UK) Limited	G.B.	Ordinary	100.00
Hunt & Palmer USA Inc	U.S.A	Ordinary	100.00
H P M S Ltd	G.B.	Ordinary	100.00
Other significant interests			
Hunt & Palmer Travel Services Ltd	G.B.	Ordinary	50.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Hunt and Palmer Cargo Charters Limited	Air brokers
Hunt & Palmer Hong Kong Ltd	Air brokers
Hunt & Palmer PTY Ltd	Air brokers

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Fixed asset investments

(Continued)

Air Charter Corporation Ltd	Dormant
Hunt & Palmer India Air Charter Pvt Ltd	Air brokers
Premier Aviation (UK) Limited	Air brokers
Hunt & Palmer USA Inc	Dormant
H P M S Ltd	Sales representative
Hunt & Palmer Travel Services Ltd	Travel services

For the financial year ended 31 December 2014, the subsidiary company H P M S Ltd (company registration no. 04884208), was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

12 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,279,060	2,047,897	864,540	1,737,982
Amounts owed by group undertakings	-	-	100,490	240,513
Amounts owed by participating interests	72,091	65,054	-	-
Corporation tax	15,588	13,299	-	-
Other debtors	103,076	112,323	160,562	161,054
Prepayments and accrued income	1,139,904	1,259,114	961,460	1,033,771
	<u>2,609,719</u>	<u>3,497,687</u>	<u>2,087,052</u>	<u>3,173,320</u>

13 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	945,050	1,097,590	818,414	692,160
Amounts owed to group undertakings	-	-	362,795	457,513
Corporation tax	88,719	92,772	78,384	66,344
Taxes and social security costs	350,348	113,828	278,320	76,423
Directors current accounts	-	25,100	-	25,100
Other creditors	41,782	38,194	38,764	24,677
Accruals and deferred income	2,152,387	3,165,089	1,516,713	2,796,091
	<u>3,578,286</u>	<u>4,532,573</u>	<u>3,093,390</u>	<u>4,138,308</u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

14 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 January 2014	20,157
Profit and loss account	13,369
	<u> </u>
Balance at 31 December 2014	<u>33,526</u>

Company

Balance at 1 January 2014	20,157
Profit and loss account	13,369
	<u> </u>
Balance at 31 December 2014	<u>33,526</u>

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	<u>33,526</u>	<u>20,157</u>	<u>33,526</u>	<u>20,157</u>

15 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 £152,039 (2013: £137,676) represents contributions paid by the company to the fund. At the balance sheet date there are no outstanding contributions.

16 Share-based payment transactions

Hunt and Palmer Plc operates a share option scheme for 3 of its directors. At 31 December 2014 full provision has been made for the estimated value of the options granted (754,164 share options).

During the year, no additional options were granted and 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.

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

17	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	5,000,100 Ordinary shares of 1p each	50,001	50,001
		<u> </u>	<u> </u>
18	Statement of movements on profit and loss account		
	Group		
			Profit and loss account
			£
	Balance at 1 January 2014		1,436,125
	Profit for the year		393,168
	Foreign currency translation differences		4,782
	Balance at 31 December 2014		<u>1,834,075</u>
	Company		
			Profit and loss account
			£
	Balance at 1 January 2014		1,419,792
	Profit for the year		252,627
	Balance at 31 December 2014		<u>1,672,419</u>
19	Minority interests	2014	2013
		£	£
	Minority interests' share of net assets and liabilities in subsidiary undertakings	250	250
		<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

20	Reconciliation of movements in shareholders' funds Group	2014	2013
		£	£
	Profit for the financial year	393,168	1,267,329
	Dividends	-	(1,293,500)
		393,168	(26,171)
	Other recognised gains and losses	4,782	9,629
	Share based payment transactions	-	125,191
		397,950	108,649
	Net addition to shareholders' funds	1,486,126	1,377,477
	Opening shareholders' funds		
		1,884,076	1,486,126
	Closing shareholders' funds		
		2014	2013
	Company	£	£
	Profit for the financial year	252,627	1,268,076
	Dividends	-	(1,293,500)
	Share based payment transactions	-	125,191
		252,627	99,767
	Net addition to shareholders' funds	1,469,793	1,370,026
	Opening shareholders' funds		
		1,722,420	1,469,793
	Closing shareholders' funds		

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

21 Financial commitments

Group

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Between two and five years	9,200	-	13,474	409
In over five years	48,000	48,000	-	-
	<u>57,200</u>	<u>48,000</u>	<u>13,474</u>	<u>409</u>

Company

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Between two and five years	9,200	-	13,474	409
In over five years	48,000	48,000	-	-
	<u>57,200</u>	<u>48,000</u>	<u>13,474</u>	<u>409</u>

22 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	1,161,854	969,061
Company pension contributions to defined contribution schemes	94,968	93,450
	<u>1,256,822</u>	<u>1,062,511</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2013 - 6).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 3 (2013- 3).

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

Remuneration for qualifying services	<u>283,896</u>	<u>223,951</u>
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HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

23 Employees

Number of employees

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

	2014 Number	2013 Number
Administration and sales	57	55

Employment costs

	2014 £	2013 £
Wages and salaries	2,861,480	2,417,523
Social security costs	329,636	256,404
Other pension costs	152,039	137,676
Costs of share option scheme	-	125,191
	3,343,155	2,936,794

24 Control

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

HUNT AND PALMER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

25 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 creditors at the year end is £13,290 (2013: £73,946 due to) due from Hunt & Palmer India Air Charter Pvt Ltd, a 75% subsidiary of the group. Hunt and Palmer Plc provided a deposit to the bank as guarantee for Hunt & Palmer India Air Charter Pvt Ltd; at the year-end the balance held by the bank was £47,192 (2013: £47,192).

During the year, the Hunt and Palmer Cargo Charters Ltd, a 75% subsidiary of the group, received a profit share for a charter flight of £2,571 from the parent company Hunt and Palmer Plc, and in the prior year provided flight representation services to the parent company Hunt and Palmer Plc totalling £500. Hunt and Palmer Plc provided management services to Hunt and Palmer Cargo Charters Ltd amounting to £28,591 (2013 - £4,200). At the year end Hunt and Palmer Cargo Charters Ltd owed Hunt and Palmer Plc £43,697 (2013 - £120,229) relating to management fees and recharged administrative expenses.

Debtors also includes £72,091 (2013: £65,054) due from Hunt & Palmer Travel Services Ltd. The group's share of profits from Hunt & Palmer Travel Services Ltd for the year is £69,630 (2013: £38,305) in respect of its share of commissions earned from Hunt & Palmer Travel Services Ltd.

During the year the company paid rent of £48,000 (2013: £45,375) to Hunt and Palmer Plc Retirement Benefit Scheme, a scheme under the control of the directors.

At the year end, directors' current account balances comprised £nil (2013: £11,700) owed to J S Martin, £nil (2013: £11,700) owed to P R Hunt, and £nil (2013: £1,700) owed to J F Palmer.

During the year the company was charged £1,521 (2013: £984) by Mono Europe Limited for office furniture and £450 (2013: £29,928) 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 prior year a staff loan was made to the son of a director of Hunt and Palmer Plc, M Hunt, of which £2,361 (2013: £4,028) was outstanding at the year end.

26 Post Balance Sheet Events

Group

Since the Balance Sheet date, a final dividend of £200,000 has been declared by Premier Aviation (UK) Limited with respect to the year ended 31 December 2014.

Since the year end two new companies have been incorporated; a 76% owned subsidiary Hunt and Palmer Yachts Limited, incorporated in England and Wales, and a wholly owned subsidiary Hunt and Palmer GmbH, incorporated in Germany.

Company

Since the Balance Sheet date, a final dividend of £100,000 has been declared with respect to the year ended 31 December 2014.