

Company Registration No. 02027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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HUNT AND PALMER PLC

COMPANY INFORMATION

Directors	P.R. Hunt J.S. Martin J.F. Palmer M. Jenkinson S. Edwards N. Harvey D. Tilley (Appointed 7 July 2015)
Secretary	M Jenkinson
Company number	02027063
Registered office	29-30 Fitzroy Square London W1T 6LQ
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

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HUNT AND PALMER PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

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 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 a business travel agency, Hunt & Palmer Travel Services Ltd, which is a joint venture with corporate travel partner CTT Group, the DMC (note 1) representation services of HPMS Ltd (note 2), and most recently the launch of Hunt & Palmer Yachts Ltd in January 2015, a new entity specialising in high end luxury yacht charters. 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.

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 (note 3) type setup.

Following its strategic model for business growth an office was opened in the state of Florida during April 2015 and the services of an experienced charter specialist were retained to work from that location, developing sales opportunities for the Company's services in association with the existing Executive Aviation sales manager in Washington. The Board moved ahead with their previously published plans to bring the US subsidiary "Hunt & Palmer USA Inc" out of dormancy and prepare it to commence trading in 2016 as part of a longer term strategy to increase business in the North American markets. Post year end the Directors are pleased with the progress made to date and once the US subsidiary starts trading, it is expected that two additional staff members will be employed.

At the year end 31 December 2015, the Hunt & Palmer Group employs a total of 51 staff (29 male and 22 female) and in addition retains under contract a number of independent GSAs providing sales and promotional activities in both the UK and overseas locations. During the period, the Group recruited a total of two staff, which included the 12 month appointment of a Non Executive Director for the purpose of advising the Board on strategic planning and direction, and had seven leavers (note 4) thereby showing a slight reduction in headcount across the group over the previous period.

The average length of service for employees during the period, excluding the Directors, is 6.89 years.

Notes:

1. Abbr. for term Destination Management Company
2. This company trades as 'Destinations'
3. Acronym for Small Office/Home Office
4. Within this figure is the redundancy of four staff employed by Hunt & Palmer Air Charter India (see details in report)

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Significant Events

1. As outlined in the Group's 2014 report, the Asian markets for passenger charters have consistently failed to provide the through flow of business anticipated and this has been of particular note for the Group's Indian subsidiary, Hunt and Palmer Air Charter India Private Ltd.

Despite significant investment by the Company in this undertaking since its inception in 2010, by annual review in July 2015 there was no visible prospect for any future improvement in business generated through that entity and the Board concluded that a voluntary liquidation of Hunt and Palmer Air Charter India Private Ltd to stem further losses was in the best interest of the group overall. Consequently, a controlled closure of the Indian subsidiary's offices in New Delhi and Mumbai was initiated after which a legal process for the voluntary winding up of Hunt and Palmer Air Charter India Private Ltd was commenced in November 2015 and which is ongoing.

Post year end the official status of the Indian subsidiary as recorded by the Indian Companies Registrar is 'In Liquidation'. The Directors have given an undertaking that the Company will comply with all of its obligations in this regard, although no significant costs are anticipated, and expect that this process will be complete by the end of the 2016 financial period.

2. During the course of the period, the Board made a strategic decision to consolidate the activities of HPMS Ltd into the parent company and this was effected as of September 2015. The move was seamless with all client contracts being novated to Hunt & Palmer Plc and the HPMS employees' contracts of employment transferred to the parent. HPMS's obligations to clients and suppliers continue to be met through the parent company under the 'Destinations' brand and as at the end of the period, HPMS Ltd became a dormant company within the Hunt & Palmer Group.

Performance

Trading conditions during the 2015 period showed continued improvement on previous years and the Directors are pleased to note that the Consolidated Profit & Loss statement for the 2015 period shows a 5.7% increase in operating profit over the figure for the 2014 period which was itself significantly up on the previous year.

Support for the Group's Indian entity and the costs associated with commencing liquidation proceedings have impacted the profit overall, however even taking account of this fact, profits after tax are on par with the preceding period.

Across the Group's business the enquiry levels for aircraft charter rose during the period by an average of 6% overall but in key market sectors increases of around 15% were achieved. The 'enquiry to booking ratio' has remained constant in comparison to previous years and despite the fiercely competitive nature of the markets, the margin percentages achieved have also seen a small rise.

The Conference and Incentive travel industry, which is a core market for the Group's Commercial Aviation division, appears to have sustained the slow recovery seen in 2014 and Hunt & Palmer has benefited from this with an increase of contracts realised through this sector during the period. The Company continues to enjoy improved revenue streams from other client markets requiring the charter of commercial airliners, which has contributed significantly to the improved results for the division overall this year.

In the corporate aviation sector, business throughput has increased markedly during the year, a most welcome return to former levels which suggests increasing confidence in the world's financial markets. The Hunt & Palmer Executive Aviation division has also seen an increase in flight bookings for HNW clients during the period. This comes despite the continued lull in the Russian markets, which traditionally accounted for around 25% of this revenue stream. Once again the Directors are pleased to note a high level of repeat business for the Company from both corporate entities and private individuals whilst at the same time realising a good number of new clients, many making their first venture into aircraft charter as a means of travel for business or leisure.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Performance (continued)

At the end of its fourth year of operation, the Group's freight division Hunt and Palmer Cargo Charters Limited, has shown further growth in sales with turnover revenue up more than 13% on the 2014 period and significant six times increase to year end profit. In contrast to the lack lustre performance of the passenger charter markets of the Asian countries, around 30% of the cargo business has originated from within this region.

Premier Aviation (UK) Limited, the Hunt & Palmer Group's music tour specialists, saw an exceptional turnaround in its business fortunes after a particularly difficult period in 2014. The Directors had forecast significantly improved results post year end in the 2014 review however the final results of 2015 have exceeded their expectations. Post year end the forthcoming period is a little quieter than the last however a number of high profile tours have already been secured for the year ahead, and while the markets for Premier Aviation's specialist service thrive, the Directors are confident that the company will continue to make significant contribution to the Group.

During 2015 the Group overall has maintained the forward momentum seen emerging in the previous year and in light of this success, 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.

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. 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.

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.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

KPIs (Continued)

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
- Employee satisfaction
- 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 and Palmer Plc has held Investors in People accreditation since 2001 and as part of the continuance of retaining this standard, an interim review was undertaken by the awarding authority during the year to assess the company in preparation for a full assessment in Q3 of 2016. Originally a UK centric scheme, recent changes to the Investors in People mandate has introduced the possibility of international accreditation for those organisations with a global office network. The Directors understand the significance and value that the Investors in People standard can bring to the organisation and it is their intention that all of the overseas subsidiaries shall hereafter be included and assessed. 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 maintaining the standard throughout the Hunt & Palmer organisation.

Risks

1. Competition

With few barriers to entry, the number of air charter broking companies entering the market continues to rise and has significant impact on 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.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Risks (Continued)

2. Internet and online broking

A number of online broking companies have emerged in the last few years and continue to push hard for a share of the air charter market. Significant investment has been made by the top three players in this area during the period and it cannot be overlooked that these businesses have taken a portion of the market share from the traditional broker. This is particularly evident with those clients looking to charter smaller aircraft on short flights and those prepared to consider making use of the empty leg option.

Despite the unshakable belief by the proponents of the online model that the future of air charter broking is in this direction, it is still the preference of the markets at large to favour the more personal and service orientated offering of the traditional broker, such as provided by Hunt & Palmer. There are potentially many reasons that this preference continues for the time being but as the market evolves, it is certainly possible that more clients may start to consider the online option. 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

The Hunt & Palmer group emerged from the global recession in good shape and the business continues to perform strongly in most sectors as can be seen from the Financial Statements of the period. The Directors recognise that recovery has not been so positive in certain areas, particularly within Europe and the present economic pressures on the Russian economy has impacted revenues from these markets.

The Board has reacted decisively to the falls in Asian markets and the Directors realise that the business must be ready to react quickly and positively to any future 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 2015 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
24 June 2016

HUNT AND PALMER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company and group continued to be that of aircraft brokering.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

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

Non-Executive Directors

The non-executive directors who held office during the year and up to the date of signature of the financial statements were as follows:

D. Tilley (Appointed 7th July 2015)

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £100,002. The directors do not recommend payment of a final dividend.

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 485 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 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, 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 and company will continue in business.

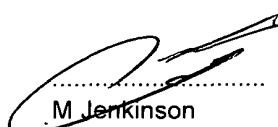
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements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

By order of the board


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M. Jenkinson
Secretary
24 June 2016

HUNT AND PALMER PLC

INDEPENDENT AUDITOR'S 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 2015 which comprise the Consolidated Profit And Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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), including Financial Reporting Standard 102.

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 auditor's 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 parent 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 the parent company's affairs as at 31 December 2015 and of its loss 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 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 AUDITOR'S 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.



Jane Bates (Senior Statutory Auditor)
for and on behalf of Goodman Jones LLP

27 June 2016

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 2015

	Notes	2015 £	2014 £
Turnover	3	42,316,185	36,914,501
Cost of sales		(35,706,010)	(31,461,159)
Gross profit		6,610,175	5,453,342
Administrative expenses		(6,193,806)	(5,059,482)
Operating profit	4	416,369	393,860
Interest receivable and similar income	8	30,407	74,339
Interest payable and similar charges	9	(130)	(797)
Profit before taxation		446,646	467,402
Taxation	10	(55,209)	(74,234)
Profit for the financial year		391,437	393,168
Profit for the financial year is attributable to:			
- Owners of the parent company		333,196	393,168
- Non-controlling interests		58,241	-
		391,437	393,168

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

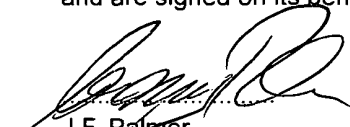
HUNT AND PALMER PLC

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	12		255,073		272,078
Tangible assets	13		203,183		213,881
Investments	14		2,672		2,672
			<u>460,928</u>		<u>488,631</u>
Current assets					
Debtors	16	2,519,582		2,609,719	
Cash at bank and in hand		3,078,387		2,397,788	
		<u>5,597,969</u>		<u>5,007,507</u>	
Creditors: falling due within one year	17	(3,841,761)		(3,578,286)	
Net current assets			<u>1,756,208</u>		<u>1,429,221</u>
Total assets less current liabilities			<u>2,217,136</u>		<u>1,917,852</u>
Provisions for liabilities			<u>(33,291)</u>		<u>(33,526)</u>
Net assets			<u><u>2,183,845</u></u>		<u><u>1,884,326</u></u>
Capital and reserves					
Called up share capital	21		50,001		50,001
Profit and loss reserves			2,075,113		1,834,075
Equity attributable to owners of the parent company			<u>2,125,114</u>		<u>1,884,076</u>
Non-controlling interests			<u>58,731</u>		<u>250</u>
			<u><u>2,183,845</u></u>		<u><u>1,884,326</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 June 2016 and are signed on its behalf by:


J.F. Palmer
Director

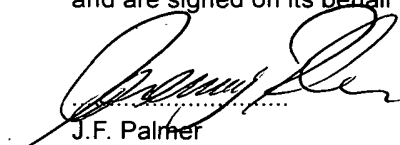
HUNT AND PALMER PLC

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	13	197,381		207,516	
Investments	14	801,181		768,439	
		<u>998,562</u>		<u>975,955</u>	
Current assets					
Debtors	16	2,387,744		2,087,052	
Cash at bank and in hand		<u>1,824,345</u>		<u>1,786,329</u>	
		4,212,089		3,873,381	
Creditors: falling due within one year	17	<u>(3,475,889)</u>		<u>(3,093,390)</u>	
Net current assets			736,200		779,991
Total assets less current liabilities			<u>1,734,762</u>		<u>1,755,946</u>
Provisions for liabilities			<u>(33,291)</u>		<u>(33,526)</u>
Net assets			<u><u>1,701,471</u></u>		<u><u>1,722,420</u></u>
Capital and reserves					
Called up share capital	21	50,001		50,001	
Profit and loss reserves		<u>1,651,470</u>		<u>1,672,419</u>	
Total equity		<u><u>1,701,471</u></u>		<u><u>1,722,420</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 24 June 2016 and are signed on its behalf by:


J.F. Palmer
Director

Company Registration No. 02027063

HUNT AND PALMER PLC

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total equity £	Non- controlling interest £	Total £
Balance at 1 January 2014		50,001	1,436,125	1,486,126	250	1,486,376
Period ended 31 December 2014:						
Profit for the year		-	393,168	393,168	-	393,168
Other comprehensive income:						-
Currency translation differences		-	4,782	4,782	-	4,782
Total comprehensive income for the year		-	397,950	397,950	-	397,950
Balance at 31 December 2014		50,001	1,834,075	1,884,076	250	1,884,326
Period ended 31 December 2015:						
Profit for the year		-	333,196	333,196	58,241	391,437
Other comprehensive income:						
Currency translation differences on overseas subsidiaries		-	7,844	7,844	-	7,844
Total comprehensive income for the year		-	341,040	333,196	58,241	391,437
Dividends	11	-	(100,002)	(100,002)	-	(100,002)
NCI proportion of subsidiary acquired in the period		-	-	-	240	240
Balance at 31 December 2015		50,001	2,075,113	2,125,114	58,731	2,183,845

HUNT AND PALMER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		50,001	1,419,792	1,469,793
Period ended 31 December 2014:				
Profit and total comprehensive income for the year		-	252,627	252,627
Balance at 31 December 2014		50,001	1,672,419	1,722,420
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	79,053	79,053
Dividends	11	-	(100,002)	(100,002)
Balance at 31 December 2015		50,001	1,651,470	1,701,471

HUNT AND PALMER PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	28	817,531		385,872	
Interest paid		(130)		(797)	
Income taxes paid		(31,457)		(67,207)	
Net cash inflow from operating activities		785,944		317,868	
Investing activities					
Purchase of tangible fixed assets		(44,315)		(126,361)	
Proceeds on disposal of tangible fixed assets		8,325		1,250	
Interest received		740		934	
Dividends received		332		356	
Other investment income received		29,335		73,049	
Net cash used in investing activities		(5,583)		(50,772)	
Financing activities					
Proceeds from issue of shares		240		-	
Dividends paid to equity shareholders		(100,002)		-	
Net cash used in financing activities		(99,762)		-	
Net increase in cash and cash equivalents		680,599		267,096	
Cash and cash equivalents at beginning of year		2,397,788		2,130,692	
Cash and cash equivalents at end of year		3,078,387		2,397,788	

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Hunt and Palmer Plc ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 29-30 Fitzroy Square, London, W1T 6LQ.

The Group consists of Hunt and Palmer Plc and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 December 2015 are the first financial statements of Hunt and Palmer Plc and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £79,053 (2014 - £252,627).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hunt and Palmer Plc and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed over the vesting period based on the group's estimate of shares options that will eventually vest.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015 £	2014 £
Turnover	42,316,185	36,914,501

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3	Turnover and other revenue	(Continued)	
	Other significant revenue		
	Interest income	740	934
	Dividends received	332	356
		<u> </u>	<u> </u>
	Turnover analysed by geographical market		
		2015	2014
		£	£
	United Kingdom	25,982,794	20,847,037
	Europe	2,442,942	2,204,536
	Rest of World	13,890,449	13,862,928
		<u> </u>	<u> </u>
		<u>42,316,185</u>	<u>36,914,501</u>
4	Operating profit		
		2015	2014
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	(80,657)	(158,558)
	Depreciation of owned tangible fixed assets	44,456	30,028
	Loss on disposal of tangible fixed assets	1,919	264
	Amortisation of intangible assets	17,005	17,005
	Operating lease charges	72,765	75,548
		<u> </u>	<u> </u>
5	Auditors' remuneration		
		2015	2014
		£	£
	Fees payable to the company's auditor and its associates:		
	For audit services		
	Audit of the financial statements of the group and company	39,500	36,500
	Audit of the company's subsidiaries	17,400	10,000
		<u> </u>	<u> </u>
		<u>56,900</u>	<u>46,500</u>
	For other services		
	Taxation compliance services	4,350	3,100
	All other non-audit services	5,500	1,000
		<u> </u>	<u> </u>
		<u>9,850</u>	<u>4,100</u>
	For services in respect of associated pension schemes		
	Accounts preparation	2,700	2,700
		<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2015 Number	2014 Number
Administration and sales	52	57

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	3,553,249	2,861,480
Social security costs	421,282	329,636
Pension costs	102,845	152,039
	<u>4,077,376</u>	<u>3,343,155</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	1,531,360	1,161,854
Company pension contributions to defined contribution schemes	52,042	94,968
	<u>1,583,402</u>	<u>1,256,822</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2014 - 6).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 3 (2014 - 3).

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

Remuneration for qualifying services	<u>427,590</u>	<u>283,896</u>
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HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	740	767
Other interest income	-	167
Total interest revenue	740	934
Other income from investments		
Dividends received	332	356
	1,072	1,290
Income from fixed asset investments		
Income from participating interests - associates	29,335	73,049
Total income	30,407	74,339

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	740	767
Dividends from financial assets measured at fair value through profit or loss	332	356

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	130	797

10 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	92,036	67,827
Adjustments in respect of prior periods	(36,593)	(25,292)
Total UK current tax	55,443	42,535
Foreign current tax on profits for the current period	-	18,330
Total current tax	55,443	60,865
Deferred tax		
Origination and reversal of timing differences	(234)	13,369
Total tax charge	55,209	74,234

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation

(Continued)

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	446,646	467,402
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	89,329	98,154
Tax effect of expenses that are not deductible in determining taxable profit	9,489	8,879
Tax effect of utilisation of tax losses not previously recognised	(37,166)	(2,196)
Adjustments in respect of prior years	(7,039)	(25,292)
Permanent capital allowances in excess of depreciation	(9,063)	(28,225)
Depreciation on assets not qualifying for tax allowances	8,665	5,963
Tax at marginal rate	1,107	-
Dividend income	(66)	(75)
Other tax adjustments	187	3,657
Deferred tax arising on accelerated capital allowances	(234)	13,369
Tax expense for the year	55,209	74,234

11 Dividends

	2015 £	2014 £
Final paid	100,002	-
	100,002	-

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	340,098
Amortisation and impairment	
At 1 January 2015	68,020
Amortisation charged for the year	17,005
At 31 December 2015	85,025
Carrying amount	
At 31 December 2015	255,073
At 31 December 2014	272,078

The company had no intangible fixed assets at 31 December 2015 or 31 December 2014.

13 Tangible fixed assets

Group	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2015	559,375	59,212	618,587
Additions	38,820	5,495	44,315
Disposals	(4,910)	(55,538)	(60,448)
Exchange adjustments	(13)	(219)	(232)
At 31 December 2015	593,272	8,950	602,222
Depreciation and impairment			
At 1 January 2015	355,457	49,249	404,706
Depreciation charged in the year	43,010	1,446	44,456
Eliminated in respect of disposals	(3,535)	(46,669)	(50,204)
Exchange adjustments	265	(184)	81
At 31 December 2015	395,197	3,842	399,039
Carrying amount			
At 31 December 2015	198,075	5,108	203,183
At 31 December 2014	203,918	9,963	213,881

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Tangible fixed assets

(Continued)

Company	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2015	585,288	55,537	640,825
Additions	35,961	5,495	41,456
Disposals	-	(55,538)	(55,538)
At 31 December 2015	621,249	5,494	626,743
Depreciation and impairment			
At 1 January 2015	387,158	46,151	433,309
Depreciation charged in the year	41,400	1,322	42,722
Eliminated in respect of disposals	-	(46,669)	(46,669)
At 31 December 2015	428,558	804	429,362
Carrying amount			
At 31 December 2015	192,691	4,690	197,381
At 31 December 2014	198,130	9,386	207,516

14 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	23	-	-	798,509	765,767
Listed investments		2,672	2,672	2,672	2,672
		2,672	2,672	801,181	768,439
Listed investments included above:					
Listed investments carrying amount		2,672	2,672	2,672	2,672
Market value if different from carrying amount		8,199	10,316	8,199	10,316

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Fixed asset investments (Continued)

Movements in fixed asset investments Group	Shares £
Cost or valuation At 1 January 2014 & 31 December 2014	2,672
Carrying amount At 31 December 2015	2,672
At 31 December 2014	2,672
 Movements in fixed asset investments Company	 Shares £
Cost or valuation At 31 December 2015	768,439
Additions	38,088
At 31 December 2015	806,527
Impairment At 31 December 2015	-
Impairment losses	5,346
At 31 December 2015	5,346
Carrying amount At 31 December 2015	801,181
At 31 December 2014	768,439

15 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,257,896	1,430,514	1,227,705	1,106,418
Equity instruments measured at cost less impairment	2,672	2,672	801,181	768,439
Carrying amount of financial liabilities				
Measured at amortised cost	3,305,544	3,139,219	3,127,342	2,736,686

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

16 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	1,215,509	1,279,060	1,046,889	864,540
Corporation tax recoverable	2,353	15,588	-	-
Amounts due from group undertakings	-	-	141,382	100,490
Amounts due from associate undertakings	33,030	72,091	-	-
Other debtors	33,009	103,076	59,537	160,562
Prepayments and accrued income	1,235,681	1,139,904	1,139,936	961,460
	<u>2,519,582</u>	<u>2,609,719</u>	<u>2,387,744</u>	<u>2,087,052</u>

17 Creditors: falling due within one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Corporation tax payable	99,471	88,719	7,652	78,384
Other taxation and social security	436,746	350,348	340,895	278,320
Trade creditors	989,160	945,050	912,311	818,414
Amounts due to group undertakings	-	-	211,405	362,795
Other creditors	59,031	41,782	58,139	38,764
Accruals and deferred income	2,257,353	2,152,387	1,945,487	1,516,713
	<u>3,841,761</u>	<u>3,578,286</u>	<u>3,475,889</u>	<u>3,093,390</u>

18 Deferred taxation

Group	Liabilities 2015 £	Liabilities 2014 £
Accelerated capital allowances	<u>33,291</u>	<u>33,526</u>
Company	Liabilities 2015 £	Liabilities 2014 £
Accelerated capital allowances	<u>33,291</u>	<u>33,526</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

18 Deferred taxation

(Continued)

	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	33,526	33,526
Credit to profit and loss	(235)	(235)
Liability at 31 December 2015	<u>33,291</u>	<u>33,291</u>

19 Retirement benefit schemes

	2015 £	2014 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>102,845</u>	<u>152,039</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share-based payment transactions

Hunt and Palmer Plc operates a share option scheme for 3 of its directors. At 31 December 2015 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.

21 Share capital

	Group and company 2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
5,000,100 Ordinary shares of 1p each	<u>50,001</u>	<u>50,001</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

22 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Within one year	70,674	70,674	70,674	70,674
Between two and five years	102,678	173,352	102,678	173,352
	<u>173,352</u>	<u>244,026</u>	<u>173,352</u>	<u>244,026</u>

23 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held
Hunt and Palmer Cargo Charters Limited G.B	Air brokers	Ordinary	75
Hunt and Palmer Hong Kong Limited Hong Kong	Air brokers	Ordinary	100
Hunt and Palmer PTY Limited Australia	Air brokers	Ordinary	100
Hunt and Palmer India Air Charter Private Limited India	Air brokers	Ordinary	75
Air Charter Corporation Limited G.B	Dormant	Ordinary	100
Premier Aviation (UK) Limited G.B	Air brokers	Ordinary	100
H P M S Limited G.B	Sales representatives	Ordinary	100
Hunt & Palmer USA Inc U.S.A	Dormant	Ordinary	100
Hunt and Palmer Yachts Limited G.B	Yacht travel services	Ordinary	76
Hunt and Palmer GmbH Germany	Dormant	Ordinary	100

24 Joint ventures

Details of joint ventures at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Hunt & Palmer Travel Services Limited G.B	Travel services	Ordinary	50.00 -

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

25 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 Section 33 '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 £12,847 (2014: £13,290 due from) due to Hunt and Palmer India Air Charter Private Ltd, a 75% subsidiary of the group. In the prior year, Hunt and Palmer Plc provided a deposit to the bank as guarantee for Hunt and Palmer India Air Charter Private Ltd; at the balance sheet date this account had been closed (2014: £47,192). During the year, £24,100 (2014: £25,842) was invoiced by Hunt and Palmer India Air Charter Private Ltd to the parent company Hunt and Palmer Plc for fees including commission and administrative recharges. As proceedings to formally liquidate Hunt and Palmer India Air Charter Private Ltd commenced in November 2015, the investment held by Hunt and Palmer Plc has been fully written-down in value.

During the year, Hunt and Palmer Cargo Charters Limited, a 75% subsidiary of the group, received income of £7,948 from fellow group company Premier Aviation (UK) Limited for freight handling services, and in the prior year received a profit share for a charter flight from parent company Hunt and Palmer Plc totalling £2,571. Hunt and Palmer Plc provided management services to Hunt and Palmer Cargo Charters Limited amounting to £28,591 (2014: £28,591). At the year end Hunt and Palmer Cargo Charters Limited owed Hunt and Palmer Plc £33,484 (2014: £43,697) relating to management fees and recharged administrative expenses.

Hunt and Palmer Plc provided management services to Hunt and Palmer Yachts Limited, a 76% subsidiary of the group, amounting to £11,768 (2014: £nil). At the year end, Hunt and Palmer Yachts Limited owed Hunt and Palmer Plc £31,331 (2014: £nil) relating to management fees and recharged administrative expenses.

Included in debtors is £33,030 (2014: £72,091) due from Hunt & Palmer Travel Services Limited. The group's share of profits from Hunt & Palmer Travel Services Limited for the year is £34,000 (2014: £69,630) in respect of its share of commissions earned.

During the year the company paid rent of £48,000 (2014: £48,000) to Hunt and Palmer Plc Retirement Benefit Scheme, a scheme under the control of the directors.

During the year the company was charged £1,242 (2014: £1,521) by Mono Europe Limited for office furniture and £nil (2014: £450) 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 £694 (2014: £2,361) was outstanding at the year end.

26 Control

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

27 Events after the reporting date

Group

Since the Balance Sheet date, a final dividend of £250,000 (2014: £200,000) has been declared by Premier Aviation (UK) Limited with respect to the year ending 31 December 2015.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

28	Cash generated from operations	2015 £	2014 £
	Profit for the year after tax	391,437	393,168
	Adjustments for:		
	Taxation charged	55,209	74,234
	Finance costs	130	797
	Investment income	(30,407)	(74,339)
	Loss on disposal of tangible fixed assets	1,919	264
	Amortisation and impairment of intangible assets	17,005	17,005
	Depreciation and impairment of tangible fixed assets	44,456	30,028
	Net effect of foreign exchange movements	8,157	4,692
	Movements in working capital:		
	Decrease in debtors	76,841	817,208
	Increase/(decrease) in creditors	252,784	(877,185)
	Cash generated from operations	817,531	385,872