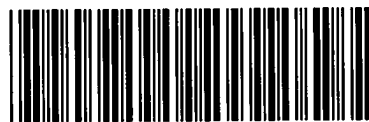


Company Registration No. 02027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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HUNT AND PALMER PLC

COMPANY INFORMATION

Directors	P.R. Hunt J.F. Palmer M. Jenkinson S. Edwards N. Harvey
Secretary	M Jenkinson
Company number	02027063
Registered office	29-30 Fitzroy Square London W1T 6LQ
Auditor	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 Marylebone and Harley Street Branch 10 Marylebone High Street London W1U 4BT

HUNT AND PALMER PLC

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HUNT AND PALMER PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Firmly established as one of the most respected global providers of bespoke air charter, with offices on four continents, Hunt & Palmer have been trusted for 30 years by leading corporations, governments and discerning individuals the world over.

With one of the most experienced and trusted teams within the aircraft charter field, what sets us apart is our people and the values we share. We deliver an unrivalled service to all of our clients across private and executive aviation, commercial jet charter and air cargo, wherever they may be.

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.

Review of activities

Industry standard accounting practice is to only recognise revenue and costs at the flight date. The group reported revenue of £47.07m, an increase of £5.43m or 13% since 2016.

Principal risks and uncertainties

The group has identified and evaluated its major risks, the controls in place to manage those risks and the level of residual risk accepted. Risk management and control procedures are an integral part of the operation of the business. The board of directors are aware of these risk procedures through reporting at board meetings.

The major risks identified include:

- macro-economic factors including a slowdown in the economy
- new entrants into the market including digital broking
- geopolitical environment adversely affecting revenues and demand for products and services
- foreign exchange rate fluctuations affecting reported earnings
- specific country risks and emerging markets exposure
- changes in business environment
- technological risk including data breach and cyber security

The group has undertaken a series of measures through which as far as is possible the major risks are mitigated. These include the facility to enter into forward exchange contracts to manage exchange rate risk, which in the current economic climate is considered to be a significant risk.

The group continues to invest in its systems to provide services to the consumer. The investment in technology and cyber-security increases year on year. Some factors are clearly outside of the group's control but strategic planning at board level ensures the company is well placed to deal with these, one part of which is the maintenance of significant cash reserves within the group.

Key performance indicators

The group uses gross profit as its key indicator of business performance given the potential for revenue to fluctuate depending on the number of contracts completed in the year.

The group achieved a gross profit of £6.51m at a margin of 13.8% in the year compared to £5.95m and 14.3% for the previous year. The directors are pleased with this performance.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Future developments

The group is holding sufficient reserves to allow the Directors to pursue their strategic plan of organic growth and expansion through acquisition once market conditions are right to do so. In February 2018 the acquisition of Aircraft Chartering Services was completed as part of this plan. The Directors are of the opinion that the performance this year has once again demonstrated the Group's ability to adapt quickly to changing market conditions and the year end results confirm that the Hunt & Palmer group is a robust entity, capable of developing further for the benefit of all stakeholders in the future.

On behalf of the board



J.F. Palmer

Director

28 June 2018

HUNT AND PALMER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

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.F. Palmer
M. Jenkinson
S. Edwards
N. Harvey

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were declared amounting to £100,000 (2016: £100,000). The directors do not recommend payment of a final dividend.

Financial instruments

The company uses financial instruments comprising 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.

Auditor

In accordance with the company's articles, a resolution proposing that Goodman Jones LLP be reappointed as auditor of the group will be put at a General Meeting.

HUNT AND PALMER PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

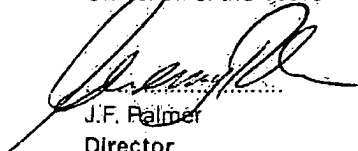
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements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

(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.

On behalf of the board



J.F. Palmer
Director

28 JUNE 2018

HUNT AND PALMER PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUNT AND PALMER PLC

Opinion

We have audited the financial statements of Hunt and Palmer Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HUNT AND PALMER PLC

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Sarf Malik (Senior Statutory Auditor)
for and on behalf of Goodman Jones LLP

28 June 2018

Chartered Accountants
Statutory Auditor

29-30 Fitzroy Square
London
W1T 6LQ

HUNT AND PALMER PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Revenue	3	47,070,894	41,636,862
Cost of sales		(40,563,001)	(35,688,238)
Gross profit		6,507,893	5,948,624
Administrative expenses		(5,622,434)	(5,280,095)
Operating profit	4	885,459	668,529
Investment income	8	32,867	46,038
Finance costs	9	-	(43)
Profit before taxation		918,326	714,524
Tax on profit	10	(232,653)	(177,651)
Profit for the financial year		685,673	536,873
Other comprehensive income			
Currency translation differences		(18,214)	17,791
Total comprehensive income for the year		667,459	554,664
Profit for the financial year is attributable to:			
- Owners of the parent company		675,347	515,185
- Non-controlling interests		10,326	21,688
		685,673	536,873
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		657,133	532,976
- Non-controlling interests		10,326	21,688
		667,459	554,664

The Income Statement has been prepared on the basis that all operations are continuing operations.

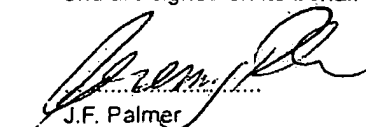
HUNT AND PALMER PLC

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Goodwill	12		221,063		238,068
Property, plant and equipment	13		212,742		206,795
Investments	14		2,672		2,672
			<u>436,477</u>		<u>447,535</u>
Current assets					
Trade and other receivables	16	3,356,682		4,949,397	
Cash and cash equivalents		4,026,698		3,335,065	
		<u>7,383,380</u>		<u>8,284,462</u>	
Current liabilities	17	(5,566,518)		(6,829,857)	
Net current assets			<u>1,816,862</u>		<u>1,454,605</u>
Total assets less current liabilities			2,253,339		1,902,140
Non-current liabilities	18		(241,541)		(483,081)
Provisions for liabilities	20		(30,810)		(31,172)
Net assets			<u>1,980,988</u>		<u>1,387,887</u>
Equity					
Called up share capital	21		58,209		62,313
Capital redemption reserve			13,042		8,938
Retained earnings			1,818,992		1,236,217
Equity attributable to owners of the parent company			<u>1,890,243</u>		<u>1,307,468</u>
Non-controlling interests			90,745		80,419
			<u>1,980,988</u>		<u>1,387,887</u>

The financial statements were approved by the board of directors and authorised for issue on 28 June 2018 and are signed on its behalf by:


J.F. Palmer
Director

HUNT AND PALMER PLC

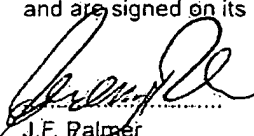
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Property, plant and equipment	13	202,037		198,536	
Investments	14	782,517		801,181	
		<u>984,554</u>		<u>999,717</u>	
Current assets					
Trade and other receivables	16	2,959,931	3,752,548		
Cash and cash equivalents		2,746,681	2,064,331		
		<u>5,706,612</u>	<u>5,816,879</u>		
Current liabilities	17	(4,635,179)	(5,168,017)		
Net current assets		<u>1,071,433</u>		<u>648,862</u>	
Total assets less current liabilities		<u>2,055,987</u>		<u>1,648,579</u>	
Non-current liabilities	18	(241,541)		(483,081)	
Provisions for liabilities	20	(30,810)		(31,172)	
Net assets		<u>1,783,636</u>		<u>1,134,326</u>	
Equity					
Called up share capital	21	58,209	62,313		
Capital redemption reserve		13,042	8,938		
Retained earnings		1,712,385	1,063,075		
Total equity		<u>1,783,636</u>	<u>1,134,326</u>		

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 £723,668 (2016 - £783,477).

The financial statements were approved by the board of directors and authorised for issue on 28 June 2018 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 2017

	Notes	Share capital £	Capital redemption reserve £	Retained earnings £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2016		50,001	-	2,075,113	2,125,114	58,731	2,183,845
Year ended 31 December 2016:							
Profit for the year		-	-	515,185	515,185	21,688	536,873
Other comprehensive income:							-
Currency translation differences		-	-	17,791	17,791	-	17,791
Total comprehensive income for the year		-	-	532,976	532,976	21,688	554,664
Bonus issue of shares	21	21,250	-	(21,250)	-	-	-
Dividends	11	-	-	(100,000)	(100,000)	-	(100,000)
Own shares acquired		-	-	(1,250,622)	(1,250,622)	-	(1,250,622)
Redemption of shares	21	(8,938)	8,938	-	-	-	-
Balance at 31 December 2016		62,313	8,938	1,236,217	1,307,468	80,419	1,387,887
Year ended 31 December 2017:							
Profit for the year		-	-	675,347	675,347	10,326	685,673
Other comprehensive income:							
Currency translation differences on overseas subsidiaries		-	-	(18,214)	(18,214)	-	(18,214)
Total comprehensive income for the year		-	-	657,133	657,133	10,326	667,459
Dividends	11	-	-	(100,000)	(100,000)	-	(100,000)
Credit to equity for equity settled share-based payments	22	-	-	25,642	25,642	-	25,642
Redemption of shares	21	(4,104)	4,104	-	-	-	-
Balance at 31 December 2017		58,209	13,042	1,818,992	1,890,243	90,745	1,980,988

HUNT AND PALMER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 January 2016		50,001	-	1,651,470	1,701,471
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	783,477	783,477
Bonus issue of shares	21	21,250	-	(21,250)	-
Dividends	11	-	-	(100,000)	(100,000)
Own shares acquired		-	-	(1,250,622)	(1,250,622)
Redemption of shares	21	(8,938)	8,938	-	-
Balance at 31 December 2016		62,313	8,938	1,063,075	1,134,326
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	723,668	723,668
Dividends	11	-	-	(100,000)	(100,000)
Credit to equity for equity settled share-based payments	22	-	-	25,642	25,642
Redemption of shares	21	(4,104)	4,104	-	-
Balance at 31 December 2017		58,209	13,042	1,712,385	1,783,636

HUNT AND PALMER PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	29	1,036,415		1,017,771	
Interest paid		-		(43)	
Income taxes paid		(227,565)		(117,246)	
Net cash inflow from operating activities		<u>808,850</u>		<u>900,482</u>	
Investing activities					
Purchase of property, plant and equipment		(50,140)		(63,842)	
Proceeds on disposal of property, plant and equipment		56		-	
Interest received		6,816		847	
Dividends received		836		3,052	
Other investment income received		25,215		42,139	
Net cash used in investing activities		<u>(17,217)</u>		<u>(17,804)</u>	
Financing activities					
Buyback of owners' shares		-		(526,000)	
Dividends paid to equity shareholders		(100,000)		(100,000)	
Net cash used in financing activities		<u>(100,000)</u>		<u>(626,000)</u>	
Net increase in cash and cash equivalents		<u>691,633</u>		<u>256,678</u>	
Cash and cash equivalents at beginning of year		3,335,065		3,078,387	
Cash and cash equivalents at end of year		<u><u>4,026,698</u></u>		<u><u>3,335,065</u></u>	

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 under 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

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 2017.

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 2017

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 Revenue

Revenue 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 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 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.

1.7 Property, plant and equipment

Property, plant and equipment 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 income statement.

1.8 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.9 Impairment of non-current assets

At each reporting period 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.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.11 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. Financial assets classified as receivable within one year are not amortised.

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.12 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.

1.13 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 income statement 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 income statement, 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.

1.14 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 non-current 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.

1.15 Retirement benefits

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

1.16 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.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.17 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.

1.18 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 income statement 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of goodwill

Management conducts annual impairment reviews of the carrying value of goodwill in relation to acquired subsidiaries.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accruals relating to air charter services

When revenue and costs for air charter contracts are initially recognised, estimates may need to be made in order to accrue items of income and expenditure that have not yet been invoiced but are expected to crystallise. Whilst estimates are made based on reasonable expectations, these estimates may not reflect the ultimate outcome.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Revenue

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

	2017 £	2016 £
Revenue analysed by class of business		
	47,070,894	41,636,862
	<u> </u>	<u> </u>
	2017 £	2016 £
Other significant revenue		
Interest income	6,816	847
Dividends received	836	3,052
	<u> </u>	<u> </u>
	2017 £	2016 £
Revenue analysed by geographical market		
United Kingdom	16,764,505	15,456,719
Europe	3,796,367	4,444,448
Rest of World	26,510,022	21,735,695
	<u> </u>	<u> </u>
	47,070,894	41,636,862
	<u> </u>	<u> </u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	138,165	(304,161)
Depreciation of owned property, plant and equipment	43,276	46,769
Loss on disposal of property, plant and equipment	190	13,652
Amortisation of intangible assets	17,005	17,005
Operating lease charges	64,870	76,979
Share-based payments	25,642	-
	<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Auditors' remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	40,600	40,600
Audit of the company's subsidiaries	7,400	7,400
	<u>48,000</u>	<u>48,000</u>
For other services		
Taxation compliance services	4,325	4,325
All other non-audit services	6,400	5,800
	<u>10,725</u>	<u>10,125</u>
For services in respect of associated pension schemes		
Accounts preparation	<u>2,700</u>	<u>2,700</u>

6 Employees

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

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Administration and sales	<u>54</u>	<u>54</u>	<u>39</u>	<u>40</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	3,333,317	3,102,983	2,427,445	2,351,007
Social security costs	364,988	353,394	291,464	281,984
Pension costs	127,002	97,138	111,204	81,902
	<u>3,825,307</u>	<u>3,553,515</u>	<u>2,830,113</u>	<u>2,714,893</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	1,216,817	1,177,222
Company pension contributions to defined contribution schemes	76,491	24,000
	<u>1,293,308</u>	<u>1,201,222</u>

The remuneration of key management personnel was £1,293,308 (2016: £1,201,222).

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2016 - 5).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 3 (2016 - 3).

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

Remuneration for qualifying services	<u>317,103</u>	<u>317,506</u>
--------------------------------------	----------------	----------------

8 Investment income

	2017 £	2016 £
Interest income		
Interest on bank deposits	6,816	847
Other income from investments		
Dividends received	836	3,052
	<u>7,652</u>	<u>3,899</u>
Income from fixed asset investments		
Income from participating interests - associates	25,215	42,139
Total income	<u>32,867</u>	<u>46,038</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	6,816	847
Dividends from financial assets measured at fair value through profit or loss	836	3,052
	<u></u>	<u></u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

9 Finance costs

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	43
	<u> </u>	<u> </u>

10 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	220,419	178,673
Adjustments in respect of prior periods	12,596	1,097
	<u> </u>	<u> </u>
Total current tax	233,015	179,770
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(362)	(2,119)
	<u> </u>	<u> </u>
 Total tax charge for the year	 232,653	 177,651
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	918,326	714,524
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	176,778	142,905
Tax effect of expenses that are not deductible in determining taxable profit	9,386	13,326
Tax effect of utilisation of tax losses not previously recognised	-	724
Adjustments in respect of prior years	12,596	1,097
Permanent capital allowances in excess of depreciation	(10,063)	(13,826)
Depreciation on assets not qualifying for tax allowances	8,206	9,278
Dividend income	(161)	(610)
Other tax adjustments	36,272	26,876
Deferred tax arising on accelerated capital allowances	(361)	(2,119)
	<u> </u>	<u> </u>
Taxation charge for the year	232,653	177,651
	<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

11 Dividends

	2017 £	2016 £
Final paid	100,000	100,000

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	340,098
Amortisation and impairment	
At 1 January 2017	102,030
Amortisation charged for the year	17,005
At 31 December 2017	119,035
Carrying amount	
At 31 December 2017	221,063
At 31 December 2016	238,068

The company had no intangible fixed assets at 31 December 2017 or 31 December 2016.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

13 Property, plant and equipment

Group	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2017	430,423	9,596	440,019
Additions	50,140	-	50,140
Disposals	(821)	(3,781)	(4,602)
Exchange adjustments	(190)	(321)	(511)
At 31 December 2017	479,552	5,494	485,046
Depreciation and impairment			
At 1 January 2017	227,767	5,457	233,224
Depreciation charged in the year	42,511	765	43,276
Eliminated in respect of disposals	(309)	(4,047)	(4,356)
Exchange adjustments	(162)	322	160
At 31 December 2017	269,807	2,497	272,304
Carrying amount			
At 31 December 2017	209,745	2,997	212,742
At 31 December 2016	202,656	4,139	206,795
Company	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2017	453,909	5,494	459,403
Additions	44,475	-	44,475
At 31 December 2017	498,384	5,494	503,878
Depreciation and impairment			
At 1 January 2017	259,127	1,740	260,867
Depreciation charged in the year	40,218	756	40,974
At 31 December 2017	299,345	2,496	301,841
Carrying amount			
At 31 December 2017	199,039	2,998	202,037
At 31 December 2016	194,782	3,754	198,536

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	24	-	-	779,845	798,509
Listed investments		2,672	2,672	2,672	2,672
		<u>2,672</u>	<u>2,672</u>	<u>782,517</u>	<u>801,181</u>
Listed investments carrying amount		2,672	2,672	2,672	2,672
Market value if different from carrying amount		9,727	8,880	9,727	8,880
		<u>9,727</u>	<u>8,880</u>	<u>9,727</u>	<u>8,880</u>

Movements in non-current investments Group

	Investments other than loans £
Cost or valuation	
At 1 January 2017 and 31 December 2017	2,672
Carrying amount	
At 31 December 2017	2,672
At 31 December 2016	2,672

Movements in non-current investments Company

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2017	798,509	2,672	801,181
Disposals	(18,664)	-	(18,664)
At 31 December 2017	<u>779,845</u>	<u>2,672</u>	<u>782,517</u>
Carrying amount			
At 31 December 2017	<u>779,845</u>	<u>2,672</u>	<u>782,517</u>
At 31 December 2016	<u>798,509</u>	<u>2,672</u>	<u>801,181</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,066,280	3,148,152	1,877,131	2,156,721
Equity instruments measured at cost less impairment	2,672	2,672	2,672	2,672
Carrying amount of financial liabilities				
Measured at amortised cost	4,897,961	6,325,141	4,081,202	4,813,194

16 Trade and other receivables

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade receivables	1,962,925	3,027,142	1,540,941	1,849,805
Amounts owed by group undertakings	-	-	300,762	273,370
Amounts owed by undertakings in which the company has a participating interest	25,400	31,500	-	-
Other receivables	36,622	63,617	48,495	69,515
Prepayments and accrued income	1,331,735	1,827,138	1,069,733	1,559,858
	3,356,682	4,949,397	2,959,931	3,752,548

17 Current liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade payables		1,096,885	1,352,494	970,048	1,189,739
Amounts due to group undertakings		-	-	115,971	87,142
Corporation tax payable		165,092	159,642	157,062	120,491
Other taxation and social security		503,465	345,074	396,915	234,332
Liability for share based payments	22	241,541	241,541	241,541	241,541
Other payables		187,150	176,461	184,498	174,486
Accruals and deferred income		3,372,385	4,554,645	2,569,144	3,120,286
		5,566,518	6,829,857	4,635,179	5,168,017

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

18 Non-current liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Liability for share based payments	22	241,541	483,081	241,541	483,081

19 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	127,002	97,138

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 Deferred taxation

	Liabilities 2017 £	Liabilities 2016 £
Group		
Accelerated capital allowances	30,810	31,172
	Liabilities 2017 £	Liabilities 2016 £
Company		
Accelerated capital allowances	30,810	31,172
	Group 2017 £	Company 2017 £
Movements in the year:		
Liability at 1 January 2017	31,172	31,172
Credit to profit or loss	(362)	(362)
Liability at 31 December 2017	30,810	30,810

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

21 Share capital

	Group and company	
	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
5,820,831 Ordinary shares of 1p each	58,209	62,313

As at 1 January 2017, the company had 6,231,245 ordinary shares in issue.

On the 29 July 2016, the company entered into a share buyback agreement. The company has bought back 410,414 shares during the year. As at the balance sheet date, there were 5,820,831 shares in issue.

Reconciliation of movements during the year:

	No. of shares
At 1 January 2017	6,231,245
Redemption of shares	(410,414)
At 31 December 2017	5,820,831

22 Share-based payment transactions

	Group 2017 £	2016 £	Company 2017 £	2016 £
Liabilities at the period end				
Arising from equity settled share based payment transactions	483,082	724,622	483,082	724,622
Expenses recognised in the year				
Arising from equity settled share based payment transactions	25,642	-	25,642	-

Share buyback agreement

The company entered into an unconditional share buyback agreement on 29 July 2016, to repurchase 2,125,000 of the £0.01 ordinary share capital at a value of £0.59 per share, over a 36 month period.

The carrying amount at the balance sheet date is £483,082, of which £241,541 is due within one year and the amount shown above of £241,541 is due after one year.

Share option scheme

Hunt and Palmer Plc operates a share option scheme for 3 of its directors. At 31 December 2017 full provision has been made for the estimated value of the options granted (882,372 share options).

The life of 128,208 options is a period of 10 years from July 2010, and the life of 754,164 options is a period of 10 years from December 2013. The option price is £0.01 per share and the agreed market value at date of grant is £0.21.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

23 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 2017 £	2016 £	Company 2017 £	2016 £
Within one year	39,225	67,864	37,562	60,581
Between two and five years	2,172	40,470	2,172	38,649
	<u>41,397</u>	<u>108,334</u>	<u>39,734</u>	<u>99,230</u>

24 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Air Charter Corporation Limited	G.B	Dormant	Ordinary	100.00	
H P M S Limited	G.B	Dormant	Ordinary	100.00	
Hunt and Palmer Cargo Charters Limited	G.B	Air brokers	Ordinary	75.00	
Hunt and Palmer GmbH	Germany	Dormant	Ordinary	100.00	
Hunt and Palmer Hong Kong Limited	Hong Kong	Air brokers	Ordinary	100.00	
Hunt and Palmer PTY Limited	Australia	Air brokers	Ordinary	100.00	
Hunt and Palmer USA Inc	U.S.A	Air brokers	Ordinary	100.00	
Hunt and Palmer Yachts Limited	G.B.	Yacht brokers	Ordinary	76.00	
Premier Aviation (UK) Limited	G.B	Air brokers	Ordinary	100.00	

For the financial period ended 31 December 2017 the following subsidiary companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- Premier Aviation (UK) Limited, company registration number 02956563
- Hunt and Palmer Yachts Limited, company registration number 09378010.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

25 Joint ventures

Details of joint ventures at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Hunt & Palmer Travel Services Limited	G.B	Travel services	Ordinary	50.00	

26 Events after the reporting date

Hunt and Palmer Plc acquired 100% of the share capital of Aircraft Chartering Services Limited on 6 February 2018.

27 Related party transactions

During the year, Hunt and Palmer Plc provided management services to Hunt and Palmer Cargo Charters Limited, a 75% subsidiary of the group, amounting to £30,079 (2016: £30,079). At the year end Hunt and Palmer Cargo Charters Limited owed Hunt and Palmer Plc £36,859 (2016: £48,951) relating to management fees and recharged administrative expenses.

Hunt and Palmer Cargo Charters Limited, a 75% subsidiary of the group, was provided flight charter services by fellow group company Hunt and Palmer USA Inc amounting to £3,880 during the period (2016: £nil). There is no balance outstanding in respect of this transaction at the year end date (2016: £nil).

Hunt and Palmer Plc provided management services to Hunt and Palmer Yachts Limited, a 76% subsidiary of the group, amounting to £7,671 (2016: £7,671). At the year end, Hunt and Palmer Yachts Limited owed Hunt and Palmer Plc £59,514 (2016: £47,322) relating to management fees and recharged administrative expenses.

Included in debtors is £25,400 (2016: £31,500) due from Hunt & Palmer Travel Services Limited. The group's share of profits from Hunt & Palmer Travel Services Limited for the year is £25,400 (2016: £31,500) in respect of its share of commissions earned.

During the year the company paid rent of £48,000 (2016: £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 £282 (2016: £3,352) by Mono Europe Limited for office furniture. This company is under the control of members of certain directors' close families. There is a £nil (2016: £2,958) balance in the creditors ledger in respect of this company at the balance sheet date.

Included in creditors is £42,293 due to the director P Hunt and £42,293 due to the director J Palmer.

28 Control

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

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

29 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	685,673	536,873
Adjustments for:		
Taxation charged	232,653	177,651
Finance costs	-	43
Investment income	(32,867)	(46,038)
Loss on disposal of property, plant and equipment	190	13,652
Amortisation and impairment of intangible assets	17,005	17,005
Depreciation and impairment of property, plant and equipment	43,276	46,769
Foreign exchange gains on cash equivalents	(17,543)	17,600
Equity settled share based payment expense	25,642	-
Movements in working capital:		
Decrease/(increase) in trade and other receivables	1,570,555	(2,413,680)
(Decrease)/increase in trade and other payables	(1,488,169)	2,667,896
Cash generated from operations	1,036,415	1,017,771