

Company Registration No. 02027063 (England and Wales)

HUNT AND PALMER PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 Goff's Park Road Crawley West Sussex 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 2020

Overview

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

Incorporated in 1986 and now firmly established as one of the most respected providers of bespoke air charter in an expanding global market, Hunt and Palmer have been trusted for over 35 years by many leading corporations, governments and discerning individuals the world over.

The organisation has evolved through planned organic development and strategic acquisition. Today the Hunt and Palmer Group comprises eight separate trading entities, each one a recognised specialist in their field, has offices on four continents and can boast one of the most reputable and experienced teams within the aircraft charter field, delivering an unrivalled service to all their clients across private and commercial aviation, air cargo logistics and other complementary travel services and consultancy. The Directors consider that their ongoing commitment to the development and wellbeing of their employees is of the utmost importance and they believe what sets the Company apart from the competition is its people and the core values shared across the Hunt and Palmer Group.

Review of activities

Industry standard accounting practice is to only recognise revenue and costs at the flight date. The Group reported revenue of £60.3m, an increase of £7.94m or 15.2% since 2019.

Covid-19 and going concern

Covid-19 has severely impacted the global economy from March 2020, with a particularly damaging effect across the aviation industry as a consequence of passenger travel restrictions imposed and currently continuing. This has negatively affected 2020 revenues in most areas of the business with the notable exception of Cargo services, which have seen a highly significant increase in revenues well above forecast plans. The Directors have carefully reviewed the individual companies' forecasts and projections in considering the implications of the Covid-19 pandemic on the Group specifically. Whilst the eventual financial impact on the global economy remains uncertain, the Directors are confident that the Group is able to maintain operations - albeit scaled back to reflect demand - throughout the period of disruption. It is worth noting that interrupted scheduled air services and concerns over health security in airports present various business opportunities for all the Hunt and Palmer Group companies. However, a full recovery will ultimately depend upon when restrictions on passenger movements are relaxed around the world.

During the period of slowdown, the Directors have used available Covid-19 government schemes such as the UK's Coronavirus Job Retention Scheme and Australia's JobKeeper scheme. The Directors have not felt the need for the Group to take on government guaranteed loan facilities such as the Coronavirus Business Interruption Loan, even though it would certainly qualify for such facilities should they be required. With an abundance of caution the Directors elected to temporarily suspend the dividend policy and - combined with the use of the Furlough scheme and other job retention schemes in overseas subsidiaries together with an extensive cost saving plan across the companies - the Group has retained significant cash reserves to enable it to continue to operate successfully in this current climate. The Directors are committed to carrying out regular reviews of the Group's profit forecasts and cash flow projections to monitor the ongoing situation and take further steps as and when required.

The Group's overriding priority remains the health and well-being of its employees and clients and we continue to follow national government guidelines in the regions in which we operate. The Directors have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future.

HUNT AND PALMER PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 £5.13m at a margin of 8.5% in the year compared to £6.22m and 11.9% for the previous year. The Directors are pleased with this performance, especially given the reduction in revenue in the year.

The Directors also look to the levels of staff retention and average length of service as further indicators of organic growth and of employee satisfaction. During this reporting period the Group employed a total of 56 persons. The average length of service, excluding the Directors, is currently 10.5 years.

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. The Directors expect to maintain profit margins and maintain core revenues in an increasingly competitive landscape.

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 and Palmer Group is a robust entity, capable of developing further for the benefit of all stakeholders in the future. It is particularly pleasing to see the strength of the Group as shown in the net asset position as at 31 December 2020 much of it represented by liquid cash assets, providing a significant safety buffer as the uncertain current economic conditions continue.

On behalf of the board

J. Palmer

Director

30 June 2021

HUNT AND PALMER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

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 8.

No interim dividends were declared in the year (2019: £200,000). 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 2020

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 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

30 June 2021

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 2020 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 and notes to the financial statements, including 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 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.

HUNT AND PALMER PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HUNT AND PALMER PLC

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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

30 June 2021

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 2020

	Notes	2020 £	2019 £
Revenue	3	60,346,903	52,405,443
Cost of sales		(55,216,275)	(46,183,316)
Gross profit		5,130,628	6,222,127
Administrative expenses		(4,725,434)	(5,519,886)
Other operating income		338,581	-
Operating profit	4	743,775	702,241
Investment income	8	42,660	77,060
Finance costs	9	-	(6)
Profit before taxation		786,435	779,295
Tax on profit	10	(160,271)	(99,175)
Profit for the financial year		626,164	680,120
Other comprehensive income			
Currency translation differences		(7,240)	(2,639)
Total comprehensive income for the year		618,924	677,481
Profit for the financial year is attributable to:			
- Owners of the parent company		229,799	625,379
- Non-controlling interests		396,365	54,741
		626,164	680,120
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		222,559	622,740
- Non-controlling interests		396,365	54,741
		618,924	677,481

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 2020

	Notes	2020 £	£	2019 £	£
Non-current assets					
Goodwill	13		170,048		386,547
Property, plant and equipment	14		209,429		232,434
Investments	15		3,296		2,672
			<u>382,773</u>		<u>621,653</u>
Current assets					
Trade and other receivables	17	1,840,308		4,255,059	
Cash and cash equivalents		4,139,823		4,374,815	
		<u>5,980,131</u>		<u>8,629,874</u>	
Current liabilities	18	(2,712,478)		(5,866,163)	
Net current assets			<u>3,267,653</u>		<u>2,763,711</u>
Total assets less current liabilities			<u>3,650,426</u>		<u>3,385,364</u>
Provisions for liabilities					
Deferred tax liability	20	34,364		39,508	
		<u>(34,364)</u>		<u>(39,508)</u>	
Net assets			<u>3,616,062</u>		<u>3,345,856</u>
Equity					
Called up share capital	21		51,282		50,000
Capital redemption reserve			21,251		21,251
Retained earnings			3,390,428		3,167,869
Equity attributable to owners of the parent company			<u>3,462,961</u>		<u>3,239,120</u>
Non-controlling interests			153,101		106,736
			<u>3,616,062</u>		<u>3,345,856</u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2021 and are signed on its behalf by:

J.F. Palmer
Director

HUNT AND PALMER PLC

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Non-current assets					
Property, plant and equipment	14		189,805		219,881
Investments	15		1,035,019		1,034,395
			<u>1,224,824</u>		<u>1,254,276</u>
Current assets					
Trade and other receivables	17	1,642,630		2,476,016	
Cash and cash equivalents		<u>1,827,630</u>		<u>1,543,337</u>	
		3,470,260		4,019,353	
Current liabilities	18	<u>(1,148,272)</u>		<u>(2,552,978)</u>	
Net current assets			<u>2,321,988</u>		<u>1,466,375</u>
Total assets less current liabilities			<u>3,546,812</u>		<u>2,720,651</u>
Provisions for liabilities					
Deferred tax liability	20	<u>34,364</u>		<u>39,508</u>	
			<u>(34,364)</u>		<u>(39,508)</u>
Net assets			<u><u>3,512,448</u></u>		<u><u>2,681,143</u></u>
Equity					
Called up share capital	21		51,282		50,000
Capital redemption reserve			21,251		21,251
Retained earnings			<u>3,439,915</u>		<u>2,609,892</u>
Total equity			<u><u>3,512,448</u></u>		<u><u>2,681,143</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £830,023 (2019 - £75,685 profit).

The financial statements were approved by the board of directors and authorised for issue on 30 June 2021 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 2020

	Share capital	Capital redemption reserve	Retained earnings	Non-controlling interest	Total
Notes	£	£	£	£	£
Balance at 1 January 2019	50,000	21,251	2,745,129	2,816,380	101,995
Year ended 31 December 2019:					
Profit for the year	-	-	625,379	625,379	54,741
Other comprehensive income:					
Currency translation differences	-	-	(2,639)	(2,639)	-
Total comprehensive income for the year	-	-	622,740	622,740	54,741
Dividends	-	-	(200,000)	(200,000)	(50,000)
Balance at 31 December 2019	50,000	21,251	3,167,869	3,239,120	106,736
Year ended 31 December 2020:					
Profit for the year	-	-	229,799	229,799	396,365
Other comprehensive income:					
Currency translation differences	-	-	(7,240)	(7,240)	-
Total comprehensive income for the year	-	-	222,559	222,559	396,365
Issue of share capital	1,282	-	-	1,282	-
Dividends	-	-	-	-	(350,000)
Balance at 31 December 2020	51,282	21,251	3,390,428	3,462,961	153,101
					3,616,062

HUNT AND PALMER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 January 2019		50,000	21,251	2,734,207	2,805,458
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	75,685	75,685
Dividends	11	-	-	(200,000)	(200,000)
Balance at 31 December 2019		50,000	21,251	2,609,892	2,681,143
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	830,023	830,023
Issue of share capital	21	1,282	-	-	1,282
Balance at 31 December 2020		51,282	21,251	3,439,915	3,512,448

HUNT AND PALMER PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	28	340,107	1,028,070
Interest paid		-	(6)
Income taxes paid		(241,328)	(155,788)
Net cash inflow from operating activities		98,779	872,276
Investing activities			
Purchase of property, plant and equipment		(27,089)	(64,309)
Proceeds on disposal of property, plant and equipment		-	1,265
Proceeds on disposal of investments		(624)	-
Interest received		11,735	18,288
Dividends received		5,652	634
Other investment income received		25,273	58,138
Net cash generated from investing activities		14,947	14,016
Financing activities			
Proceeds from issue of shares		1,282	-
Dividends paid to equity shareholders		-	(200,000)
Dividends paid to non-controlling interests		(350,000)	(50,000)
Net cash used in financing activities		(348,718)	(250,000)
Net (decrease)/increase in cash and cash equivalents		(234,992)	636,292
Cash and cash equivalents at beginning of year		4,374,815	3,738,523
Cash and cash equivalents at end of year		4,139,823	4,374,815

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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. 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

In the parent company financial statements, 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. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company Hunt and Palmer Plc together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. 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.

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.

1.3 Going concern

The directors have reviewed the group's forecasts and projections and, in particular, have considered the potential implications of the Coronavirus (COVID-19) pandemic. Whilst the eventual financial impact of the pandemic on the group, and on the overall economy, remains uncertain, the directors are confident that the group will be able to remain operational throughout the pandemic. However, it has inevitably had to scale back its operations. To an extent, recovery will depend on when the aviation industry is permitted to resume normal operations.

With the benefit of the government support packages available to help businesses through the pandemic, the directors have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future.

The group, therefore, continues to adopt the going concern basis 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.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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
--------------------------------	----------------------

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.

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.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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 2020

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 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 through 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.

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 transaction 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.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

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.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

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.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 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 in the period are included in profit or loss.

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.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Impairment of goodwill

At each reporting year end date, the group reviews the carrying amounts of goodwill 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 group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The estimated future cash flows used to assess the impairment of goodwill are based on management's assumptions.

3 Revenue

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

	2020	2019
	£	£
Other significant revenue		
Interest income	11,735	18,288
Dividends received	5,652	634
Coronavirus job retention scheme grants	339,273	-
	<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Revenue		(Continued)	
	2020	2019	
	£	£	
Revenue analysed by geographical market			
United Kingdom	12,606,499	19,090,929	
Europe	6,178,482	5,985,968	
Rest of World	41,561,922	27,328,546	
	<u>60,346,903</u>	<u>52,405,443</u>	
4 Operating profit	2020	2019	
	£	£	
Operating profit for the year is stated after charging/(crediting):			
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	30,591	79,284	
Coronavirus job retention scheme grants	(339,273)	-	
Depreciation of owned property, plant and equipment	49,846	48,276	
Profit on disposal of property, plant and equipment	-	(996)	
Amortisation of intangible assets	28,459	28,459	
Impairment of intangible assets	188,040	-	
Operating lease charges	66,371	73,927	
	<u></u>	<u></u>	
5 Auditor's remuneration	2020	2019	
	£	£	
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	42,600	42,600	
Audit of the financial statements of the company's subsidiaries	7,800	7,800	
	<u>50,400</u>	<u>50,400</u>	
For other services			
Taxation compliance services	4,900	4,900	
All other non-audit services	6,600	6,600	
	<u>11,500</u>	<u>11,500</u>	
For services in respect of associated pension schemes			
All other non-audit services	2,500	2,500	
	<u></u>	<u></u>	

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administration and sales	48	55	34	36

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	3,012,107	3,292,965	1,740,714	2,137,302
Social security costs	298,996	337,710	202,866	253,964
Pension costs	114,609	121,637	82,432	95,406
	3,425,712	3,752,312	2,026,012	2,486,672

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	650,015	946,226
Company pension contributions to defined contribution schemes	15,833	30,000
	665,848	976,226

The remuneration of key management personnel was £665,582 (2019: £976,226).

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 3 (2019 - 3).

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

Remuneration for qualifying services	168,062	223,819
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HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8	Investment income	2020	2019
		£	£
	Interest income		
	Interest on bank deposits	11,735	18,142
	Other interest income	-	146
	Total interest revenue	11,735	18,288
	Other income from investments		
	Dividends received	5,652	634
		17,387	18,922
	Income from fixed asset investments		
	Income from participating interests - associates	25,273	58,138
	Total income	42,660	77,060
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	11,735	18,142
	Dividends from financial assets measured at fair value through profit or loss	385	634
9	Finance costs	2020	2019
		£	£
	Other finance costs:		
	Other interest	-	6
10	Taxation	2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	98,906	41,001
	Adjustments in respect of prior periods	(40,093)	(20,171)
	Total UK current tax	58,813	20,830
	Foreign current tax on profits for the current period	106,602	70,816
	Total current tax	165,415	91,646

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation (Continued)

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	(5,144)	7,529
	<u> </u>	<u> </u>
Total tax charge	160,271	99,175
	<u> </u>	<u> </u>

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

	2020 £	2019 £
Profit before taxation	786,435	779,295
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	149,423	148,066
Tax effect of expenses that are not deductible in determining taxable profit	2,879	9,220
Double tax relief	(1,001)	-
Permanent capital allowances in excess of depreciation	(5,237)	(12,598)
Depreciation on assets not qualifying for tax allowances	9,235	8,892
Effect of overseas tax rates	47,528	(41,919)
Under/(over) provided in prior years	(40,093)	(20,171)
Dividend income	(74)	(121)
Other tax adjustments	4,843	278
Deferred tax arising on accelerated capital allowances	(5,145)	7,528
Schedule 23 deduction	(37,815)	-
Goodwill impairment	35,728	-
	<u> </u>	<u> </u>
Taxation charge	160,271	99,175
	<u> </u>	<u> </u>

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Final paid	-	200,000
	<u> </u>	<u> </u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020 £	2019 £
In respect of:			
Goodwill	13	188,040	-
		<u>188,040</u>	<u>-</u>
Recognised in:			
Administrative expenses		188,040	-
		<u>188,040</u>	<u>-</u>

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	569,182
Amortisation and impairment	
At 1 January 2020	182,635
Amortisation charged for the year	28,459
Impairment losses	188,040
At 31 December 2020	399,134
Carrying amount	
At 31 December 2020	170,048
At 31 December 2019	386,547

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

More information on impairment movements in the year is given in note 12.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Property, plant and equipment

Group	Fixtures, fittings & equipment
	£
Cost	
At 1 January 2020	549,452
Additions	27,089
Disposals	(1,355)
Exchange adjustments	(82)
At 31 December 2020	575,104
Depreciation and impairment	
At 1 January 2020	317,018
Depreciation charged in the year	49,846
Eliminated in respect of disposals	(1,355)
Exchange adjustments	166
At 31 December 2020	365,675
Carrying amount	
At 31 December 2020	209,429
At 31 December 2019	232,434
Company	Fixtures, fittings & equipment
	£
Cost	
At 1 January 2020	591,985
Additions	16,553
Disposals	(1,355)
At 31 December 2020	607,183
Depreciation and impairment	
At 1 January 2020	372,104
Depreciation charged in the year	46,629
Eliminated in respect of disposals	(1,355)
At 31 December 2020	417,378
Carrying amount	
At 31 December 2020	189,805
At 31 December 2019	219,881

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	23	-	-	1,031,723	1,031,723
Listed investments		3,296	2,672	3,296	2,672
		<u>3,296</u>	<u>2,672</u>	<u>1,035,019</u>	<u>1,034,395</u>
Listed investments included above:					
Listed investments carrying amount		3,296	2,672	3,296	2,672
Market value if different from carrying amount		-	8,489	-	8,489
		<u>-</u>	<u>8,489</u>	<u>-</u>	<u>8,489</u>

Movements in non-current investments Group

	Investments other than loans £
Cost or valuation	
At 1 January 2020	2,672
Additions	624
At 31 December 2020	<u>3,296</u>
Carrying amount	
At 31 December 2020	<u>3,296</u>
At 31 December 2019	<u>2,672</u>

Movements in non-current investments Company

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2020	1,031,723	2,672	1,034,395
Additions	-	624	624
At 31 December 2020	<u>1,031,723</u>	<u>3,296</u>	<u>1,035,019</u>
Carrying amount			
At 31 December 2020	<u>1,031,723</u>	<u>3,296</u>	<u>1,035,019</u>
At 31 December 2019	<u>1,031,723</u>	<u>2,672</u>	<u>1,034,395</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	886,797	2,443,084	1,368,957	1,504,769
Equity instruments measured at cost less impairment	3,296	2,672	3,296	2,672
	<u>890,093</u>	<u>2,445,756</u>	<u>1,372,253</u>	<u>1,507,441</u>
Carrying amount of financial liabilities				
Measured at amortised cost	2,316,448	5,419,160	934,310	2,323,211
	<u>2,316,448</u>	<u>5,419,160</u>	<u>934,310</u>	<u>2,323,211</u>

17 Trade and other receivables

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade receivables	834,802	2,050,163	372,085	746,202
Corporation tax recoverable	85,118	77,370	69,024	-
Amounts owed by group undertakings	-	-	914,890	688,594
Amounts owed by undertakings in which the company has a participating interest	23,190	57,948	50,843	-
Other receivables	51,172	68,039	45,982	89,615
Prepayments and accrued income	846,026	2,001,539	189,806	951,605
	<u>1,840,308</u>	<u>4,255,059</u>	<u>1,642,630</u>	<u>2,476,016</u>

18 Current liabilities

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade payables	569,577	2,421,904	370,975	972,101
Amounts due to group undertakings	-	-	-	101,798
Corporation tax payable	59,314	127,479	-	-
Other taxation and social security	336,716	319,524	213,962	229,767
Other payables	248,399	126,569	240,596	125,188
Accruals and deferred income	1,498,472	2,870,687	322,739	1,074,987
	<u>2,712,478</u>	<u>5,866,163</u>	<u>1,148,272</u>	<u>2,503,841</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit and loss in respect of defined contribution schemes	114,609	121,637

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

Group	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	34,364	39,508
Company	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	34,364	39,508
Movements in the year:	Group 2020 £	Company 2020 £
Liability at 1 January 2020	39,508	39,508
Credit to profit or loss	(5,144)	(5,144)
Liability at 31 December 2020	34,364	34,364

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 1p each	5,128,208	5,000,008	51,282	50,000

During the year the company allotted 128,208 shares with nominal value of £0.01 per share.

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Share-based payment transactions

Share option scheme

Hunt and Palmer Plc operates a share option scheme for 3 of its directors. At 31 December 2020 full provision has been made for the estimated value of the options granted (754,164 share options).

During the year, 128,208 options granted in July 2010 were exercised.

The life of the remaining 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.

23 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
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
Premier Aviation (UK) Limited	G.B	Air brokers	Ordinary	100.00
Aircraft Chartering Services Limited	G.B.	Air brokers	Ordinary	100.00

For the financial period ended 31 December 2019 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
- Aircraft Chartering Services Limited, company registration number 02020724.

24 Joint ventures

Details of joint ventures at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held Direct
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 2020

25 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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	68,528	70,974	68,528	68,612
Between two and five years	109,117	176,810	109,117	176,810
	<u>177,645</u>	<u>247,784</u>	<u>177,645</u>	<u>245,422</u>

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

26 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 £127,432 (2019: £127,432). At the year end Hunt and Palmer Cargo Charters Limited owed Hunt and Palmer Plc £133,554 (2019: £68,430) relating to management fees and recharged administrative expenses.

Included in debtors is £23,189 (2019: £57,948) due from Hunt & Palmer Travel Services Limited. The group's share of profits from Hunt & Palmer Travel Services Limited for the year is £22,500 (2019: £56,700) in respect of its share of commissions earned.

During the year the company paid rent of £48,250 (2019: £48,250) to Hunt and Palmer Plc Retirement Benefit Scheme, a scheme under the control of the directors.

Included in creditors is £27,000 (2019: £nil) due to the director P Hunt and £22,140 (2019: £nil) due to the director J Palmer.

27 Control

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

28 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	626,164	680,120
Adjustments for:		
Taxation charged	160,271	99,175
Finance costs	-	6
Investment income	(42,660)	(77,060)
Gain on disposal of property, plant and equipment	-	(996)
Amortisation and impairment of intangible assets	216,499	28,459
Depreciation and impairment of property, plant and equipment	49,846	48,276
Foreign exchange gains on cash equivalents	(6,992)	(2,355)
Movements in working capital:		
Decrease in trade and other receivables	2,422,499	1,945,847
Decrease in trade and other payables	(3,085,520)	(1,693,402)
Cash generated from operations	340,107	1,028,070

29 Analysis of changes in net funds - group

	1 January 2020 £	Cash flows £	Exchange rate movements £	31 December 2020 £
Cash at bank and in hand	4,374,815	(241,926)	6,934	4,139,823

HUNT AND PALMER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

30 Analysis of changes in net funds - company

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	1,543,337	284,293	1,827,630
	<u> </u>	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.