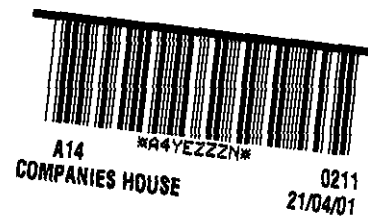


Registered Number 2155845

**FIRST CORPORATE CONSULTANTS LIMITED**

**Report and Financial Statements**

**30 June 2000**



**Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP**

**FIRST CORPORATE CONSULTANTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2000**

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# **FIRST CORPORATE CONSULTANTS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

T C Mordaunt  
D C Ord  
M A Skelton

### **SECRETARY**

M A Skelton

### **REGISTERED OFFICE**

Alder Castle  
10 Noble Street  
London  
EC2V 7TL

### **SOLICITORS**

Tite & Lewis  
Alder Castle  
10 Noble Street  
London  
EC2V 7TL

### **PRINCIPAL BANKERS**

Bank of Ireland  
La Touche House  
PO Box 3267  
IFSC  
Custom House Docks  
Dublin 1  
Republic of Ireland

HSBC plc  
49 Corn Street  
Bristol  
BS99 7PP

Samuel Montagu & Co Limited  
31 Hill Street  
London  
W1X 7FD

### **AUDITORS**

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

#### **PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND POST BALANCE SHEET EVENT**

The company's principal activity is the holding of investments. The group's principal activities during the year were the provision of port facilities, cargo handling and storage services, and the rental of properties to third parties.

On 30 June 2000 the company issued 67 ordinary shares to Mr T C Mordaunt in exchange for his shareholdings in First Corporate Shipping Limited.

At this date First Corporate Shipping Limited became a subsidiary of First Corporate Consultants Limited and its results have been reflected in these accounts using merger accounting.

On 28 April 2000 the group acquired the remaining 50% of shares in Agricultural Bulk Services (Bristol) Limited from its joint venture partner. The results of Agricultural Bulk Services (Bristol) Limited have been consolidated into these accounts.

On 27 September 2000 First Corporate Consultants Limited purchased 100% of the non-equity preferred 'A' shares in First Corporate Shipping Limited.

The directors are pleased to report a satisfactory year's trading.

#### **RESULTS AND DIVIDENDS**

The profit for the year after taxation and before minority interests amounted to £8,560,000 (1999: £7,383,000).

Dividends on equity shares of £762,000 (1999: £530,000) accrue leaving a profit of £2,349,000 (1999: £1,868,000) to be transferred to reserves.

#### **FUTURE DEVELOPMENTS**

The group remains confident of the future.

#### **MARKET VALUE OF LAND AND BUILDINGS**

A valuation of the investment properties was performed at 30 June 2000 by the directors. Further details are given in note 12.

#### **EMPLOYEE INVOLVEMENT**

The group maintains communications with employees via the Works Council and a weekly newsletter. The group operates a Profit Related Pay Scheme for all employees.

#### **DISABLED PERSONS**

The group gives sympathetic consideration to suitable applications for employment by disabled persons. Where staff become disabled during employment, opportunities are given wherever possible to continue employment in positions compatible with their disability. It is the policy of the group that disabled employees are given equal opportunities in respect of training, career development and promotion, as far as possible, as those who do not suffer from any disability.

# FIRST CORPORATE CONSULTANTS LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS AND THEIR INTERESTS

The current membership of the Board is set out on page 1. The directors at 30 June 2000 and their interests in the share capital of the company were:

	£1 Ordinary shares	
	2000	1999
T C Mordaunt	147	80
D C Ord	-	-
M A Skelton	-	-

### CHARITABLE DONATIONS

During the year the group made charitable contributions of £51,922 (1999: £37,674).

### AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



T C Mordaunt  
Director

9 APRIL 2001

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF  
FIRST CORPORATE CONSULTANTS LIMITED**

We have audited the financial statements on pages 6 to 28 which have been prepared under the accounting policies set out on pages 11 to 13.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 June 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

**DELOITTE & TOUCHE**  
Chartered Accountants and Registered Auditors  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP

*11 April 2001*

**FIRST CORPORATE CONSULTANTS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**Year ended 30 June 2000**

	Note	2000 £'000	1999 £'000
Turnover: group and share of joint venture		54,510	49,893
Less: share of joint venture's turnover		(2,424)	(2,273)
<b>GROUP TURNOVER</b>	3	52,086	47,620
Cost of sales		(27,326)	(24,985)
<b>GROSS PROFIT</b>		24,760	22,635
Administrative expenses		(9,161)	(7,797)
		15,599	14,838
Other operating income	4	444	151
<b>OPERATING PROFIT</b>	5	16,043	14,989
Share of operating profit in joint venture		702	386
Interest receivable		268	250
Interest payable and similar charges:			
- group	8	(4,394)	(4,605)
- joint venture		(573)	(701)
		(4,967)	(5,306)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		12,046	10,319
Tax on profit on ordinary activities	9	(3,486)	(2,936)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		8,560	7,383
Minority interest - equity		(4,935)	(4,471)
- non equity		(514)	(514)
Dividends on equity shares	10	(762)	(530)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES</b>	21	2,349	1,868

All activities arise from continuing operations.

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historic cost basis. Accordingly, a note of the historic costs profits and losses is not given.

There are no recognised gains and losses for the current financial year and preceding financial year other than the profit shown above.



# FIRST CORPORATE CONSULTANTS LIMITED

## CONSOLIDATED BALANCE SHEET

As at 30 June 2000

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	(709)	-
Tangible assets	12	214,774	201,050
		<u>214,065</u>	<u>201,050</u>
<b>CURRENT ASSETS</b>			
Debtors	14	5,832	6,021
Cash at bank and in hand		4,205	4,455
		<u>10,037</u>	<u>10,476</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(15,404)	(13,692)
<b>NET CURRENT LIABILITIES</b>		<u>(5,367)</u>	<u>(3,216)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		208,698	197,834
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16	(57,037)	(50,038)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	19	(2,106)	(2,106)
Investment in joint venture - share of gross assets	2	-	4,733
Investment in joint venture - share of gross liabilities	2	-	(6,860)
		<u>-</u>	<u>(2,127)</u>
<b>NET ASSETS</b>		<u>149,555</u>	<u>143,563</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	-	-
Revaluation reserve	21	41,019	41,019
Capital reserve	21	15,499	15,897
Other reserve	21	1,157	71
Profit and loss account	21	16,408	13,661
<b>Total equity shareholders' funds</b>		<u>74,083</u>	<u>70,648</u>
Minority interest		75,472	72,915
		<u>149,555</u>	<u>143,563</u>
Minority interest - equity		66,957	64,400
- non-equity		8,515	8,515
		<u>74,445</u>	<u>72,915</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors



T C Mordaunt  
Director

9<sup>th</sup> April 2001

**FIRST CORPORATE CONSULTANTS LIMITED**

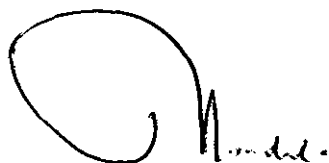
**COMPANY BALANCE SHEET**

**As at 30 June 2000**

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	119	21
Investments	13	94	54
		<u>213</u>	<u>75</u>
<b>CURRENT ASSETS</b>			
Debtors	14	1,301	848
Cash at bank and in hand		110	10
		<u>1,411</u>	<u>858</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	<u>(180)</u>	<u>(109)</u>
<b>NET CURRENT ASSETS</b>		<u>1,231</u>	<u>749</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,444</u>	<u>824</u>
<b>NET ASSETS</b>		<u>1,444</u>	<u>824</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	-	-
Profit and loss account	21	1,444	824
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>1,444</u>	<u>824</u>

These financial statements were approved by the Board of Directors on 9 April 2001

Signed on behalf of the Board of Directors



T C Mordaunt  
Director

**FIRST CORPORATE CONSULTANTS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**Year ended 30 June 2000**

	Note	2000 £'000	1999 £'000
<b>Net cash inflow from operating activities</b>	5	22,615	20,877
<b>Return on investments and servicing of finance</b>			
Interest received		268	250
Interest paid		(4,487)	(4,493)
Subsidiary dividends paid to minority interest		(2,972)	(3,195)
Interest elements of finance lease rental payments		(80)	(61)
<b>Net cash outflow from return on investments and servicing of finance</b>		(7,271)	(7,499)
<b>Taxation</b>			
UK corporation tax paid		(3,145)	(2,439)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(11,049)	(8,207)
Receipts from sales of tangible fixed assets		200	334
<b>Net cash outflow from capital expenditure</b>		(10,849)	(7,873)
<b>Acquisitions</b>			
Purchase of subsidiary		(7,375)	-
Cash acquired with subsidiary		61	-
<b>Net cash outflow in respect of acquisitions</b>		(7,314)	-
<b>Equity dividends paid</b>		(762)	(530)
<b>Cash (outflow)/inflow before financing</b>		(6,726)	2,536
<b>Financing</b>			
Debt due within one year - repayment of secured loan		(825)	(825)
Debt due beyond a year:			
- repayment of unsecured loan		-	(120)
- drawdown of loans		7,500	-
Capital element of finance lease rental payments		(199)	(185)
<b>Net cash inflow/(outflow) from financing</b>		6,476	(1,130)
<b>(Decrease)/increase in cash in the year</b>	24	(250)	1,406

# **FIRST CORPORATE CONSULTANTS LIMITED**

## **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Year ended 30 June 2000**

<b>Group</b>	<b>2000 £'000</b>	<b>1999 £'000</b>
Profit attributable to members of the group	3,111	2,398
Dividends	(762)	(530)
	<hr/>	<hr/>
	2,349	1,868
Creation of other reserve on acquisition	1,086	-
	<hr/>	<hr/>
Net increase in shareholders' funds	3,435	1,868
Opening shareholders' funds	70,648	68,780
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>74,083</b>	<b>70,648</b>
	<hr/>	<hr/>

# **FIRST CORPORATE CONSULTANTS LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 June 2000**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards, as modified for the application of merger accounting in relation to group reconstructions (see note 2). The particular accounting policies adopted are described below:

#### **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of long leasehold land and buildings.

#### **Consolidation**

The group accounts consolidate the accounts of First Corporate Consultants Limited and all its subsidiary undertakings. In accordance with the exemption permitted by Section 230 of the Companies Act 1985, the company's profit and loss account is not presented.

Undertakings, other than subsidiary undertakings, in which the group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated in accordance with Financial Reporting Standard 9 'Associates and Joint Ventures'. In the group accounts associated undertakings are accounted for using the equity method of accounting and joint ventures using the gross equity method of accounting. The group accounts include the appropriate share of these undertakings' results and reserves based on accounts to 30 June 2000.

#### **Investments**

Investments are stated at cost less any provision for impairment in value.

#### **Mergers**

The Companies Act 1985 and FRS6 'Acquisitions and Merger Accounting' permit group reconstructions to be accounted for through the principles of merger accounting. In such cases the Companies Act 1985 requires 90% of the nominal value of shares in the undertaking acquired to be held by or on behalf of the parent, which is not the case with this group reconstruction. However, the directors consider that because of the nature of the group reconstruction and because there has been no change in the relative rights of shareholders, accounting for the group reconstruction using acquisition accounting would not give a true and fair view.

If this departure from the Act had not been made the fair value of the assets and liabilities of First Corporate Shipping Limited at 30 June 2000 would have given rise to goodwill on the consolidated balance sheet and the consolidated profit and loss account would have included amortisation in respect of the goodwill. However, the amount of goodwill and amortisation cannot reasonably be quantified as fair values have not been attributed and the amount, which might otherwise have been shown in the consolidated financial statements cannot be separately identified or quantified.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 1. ACCOUNTING POLICIES (continued)

#### Acquisitions

The Companies Act 1985 requires that on the acquisition of a business fair values are attributed to the group's share of net separable assets. The difference between the cost of acquisition and the fair values attributed is treated as goodwill and following the implementation of Financial Reporting Standard 10 'Goodwill and Intangible Assets' (FRS 10) is capitalised in the group balance sheet in the year of acquisition. However, Financial Reporting Standard 2 'Accounting for Subsidiary Undertakings' identifies that in cases where undertakings that have been treated as joint ventures are subsequently acquired as subsidiary undertakings, compliance with the Companies Act method would be misleading as it may result in accounting that is inconsistent with the way the investment has been treated previously, and for this reason would not give a true and fair view. In such cases goodwill is calculated as the sum of goodwill arising from each purchase of an interest in the relevant undertaking. The difference between the goodwill calculated by this method and that set out in the Companies Act is included as an 'other reserve' (see note 21). If this departure from the Act had not been made, goodwill as stated in the balance sheet would have been increased by £2,184,000 and the annual amortisation charge would be increased proportionately. The results and cash flows relating to a business are included in the consolidated profit and loss account and consolidated cash flow statement from the date of acquisition.

#### Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. Goodwill is capitalised in the year in which it arises and amortised evenly over its useful economic life. Negative goodwill arising prior to the introduction of FRS 10 is taken to a separate non-distributable capital reserve as a matter of accounting policy and is released to realised reserves in line with the depreciation or realisation of the assets acquired which gave rise to the goodwill.

#### Depreciation

Depreciation is provided on all tangible fixed assets other than investment properties at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings	up to 40 years
Floating craft	up to 20 years
Docks and dock structures	up to 65 years
Fixed plant and equipment	up to 12 years
Mobile plant	up to 10 years
Computer equipment	up to 3 years

Long leasehold land is not depreciated as the leases span 150 years.

# **FIRST CORPORATE CONSULTANTS LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 June 2000**

### **1. ACCOUNTING POLICIES (continued)**

#### **Investment properties**

In accordance with SSAP 19, investment properties are revalued annually and any aggregate surplus or deficit, which is deemed temporary, is transferred to the revaluation reserve. Permanent deficits are charged against the profit and loss account. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### **Deferred taxation**

Deferred taxation is provided at the anticipated tax rate on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

#### **Capital instruments**

Capital instruments are accounted for in accordance with the principles of Financial Reporting Standard 4 'Capital Instruments' and are classified as equity share capital or non-equity share capital.

#### **Leased assets**

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### **Pensions**

The group operates a defined benefit pension scheme, which requires contributions to be paid to a separately administered fund. The expected cost of providing pensions and other post retirement benefits, as calculated periodically by independent professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees within the group in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll. In addition, pension contributions are payable to the personal money purchase scheme of a director. Such contributions are charged to the profit and loss account when paid.

## FIRST CORPORATE CONSULTANTS LIMITED

### NOTES TO THE ACCOUNTS

Year ended 30 June 2000

#### 2. MERGERS, ACQUISITION AND GOODWILL

##### Merger

On 30 June 2000 the company issued 67 ordinary shares to Mr T C Mordaunt in exchange for his shareholding in First Corporate Shipping Limited. The fair value of this consideration was £8 million. This exchange was as part of a group reconstruction and has been accounted for through the use of merger accounting. First Corporate Consultants Limited is therefore deemed to be the ultimate parent company throughout the period and the comparatives have been restated accordingly. The book value of the net assets of First Corporate Consultants Limited at 30 June 2000 was £1.4 million that of First Corporate Shipping Limited was £148 million. The principal components of First Corporate Consultant Limited's profit and loss account pre merger were: turnover £336,000 (1999 - £287,000) operating profit £20,000 (1999 - £75,000 loss); profit before tax £1,382,000 (1999 - £1,149,000); tax £3,000 (1999 - £120,000). The principal components of First Corporate Shipping Limited were: turnover £51,884,000 (1999 - £47,332,000); operating profit £16,023,000 (1999 - £15,063,000); profit before tax £12,016,000 (1999 - £10,386,000); tax £3,486,000 (1999 - £2,815,000). All operations in First Corporate Consultants Limited and First Corporate Shipping Limited were continuing throughout 1999 and 2000. No changes in accounting policies in either First Corporate Consultants Limited or First Corporate Shipping Limited were required to achieve consistency of accounting policies and the only adjustments to consolidated reserves related to the calculation of minority interests and the difference between the net value of shares issued and shares acquired.

##### Acquisition

At 1 July 1999 the group owned 50% of the ordinary share capital of Agricultural Bulk Services (Bristol) Limited which was accounted for as a joint venture. On 28 April 2000 the remaining 50% of share capital of Agricultural Bulk Services (Bristol) Limited was acquired for a consideration of £7,375,000. The acquisition has been accounted for using the acquisition method of accounting. The amount of provisional negative goodwill arising as a result of the acquisition is £709,000. The loss after taxation of Agricultural Bulk Services (Bristol) Limited for the year ended 30 June 1999 was £681,811 and the profit for the period from 1 July 1999 to 28 April 2000 was £109,000.

The cash flow effects of the acquisition are given in note 25.

	Share of book amount £'000	Revaluation £'000	Alignment of accounting policies £'000	Fair value £'000
Tangible fixed assets	4,281	-	-	4,281
Stocks	46	-	(46)	-
Current assets	198	-	-	198
Other long term receivables	12,298	(2,169)	-	10,129
Creditors and provisions	(6,524)	-	-	(6,524)
	<u>10,299</u>	<u>(2,169)</u>	<u>(46)</u>	<u>8,084</u>
Negative goodwill				(709)
Cash consideration				<u>7,375</u>



# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 3. TURNOVER AND SEGMENTAL ANALYSIS

Turnover which is stated net of value added tax, represents amounts invoiced to third parties in the year.

The turnover and operating profit are attributable to the group's two main activities, namely port operations and the rental of properties to third parties, both of which are continuing and relate to sales within the United Kingdom. It is not practical to allocate net assets between port operations and property revenue.

	Port operations		Property revenue		Total	Total
	2000	1999	2000	1999	2000	1999
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover - group and share of joint venture	49,609	46,366	4,901	3,527	54,510	49,893
Less - share of joint venture turnover	(2,424)	(2,273)	-	-	(2,424)	(2,273)
<b>Turnover</b>	<u>47,185</u>	<u>44,093</u>	<u>4,901</u>	<u>3,527</u>	<u>52,086</u>	<u>47,620</u>
<b>Operating profit</b>	<u>11,498</u>	<u>11,796</u>	<u>4,545</u>	<u>3,193</u>	<u>16,043</u>	<u>14,989</u>
Share of operating profit in joint venture					702	386
Net interest					(4,699)	(5,056)
<b>Profit on ordinary activities before taxation</b>					<u>12,046</u>	<u>10,319</u>

### 4. OTHER OPERATING INCOME

Included within other operating income is £45,243 relating to the sale of materials and £398,883 in respect of an insurance claim.

### 5. OPERATING PROFIT

The operating profit is stated after charging/(crediting) the following amounts:

	2000	1999
	£'000	£'000
Auditors' remuneration:		
- company audit fee	2	2
- group audit fee	46	40
Payments to auditors for non-audit services	142	84
Depreciation of owned fixed assets	5,317	4,911
Depreciation of assets held under finance leases	384	404
Rental income	<u>(12,070)</u>	<u>(9,901)</u>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 5. OPERATING PROFIT (continued)

#### Participation fee

Following a financial restructuring in June 1993, a participation fee of 3.75% of a group company's net profit before tax became payable in respect of all subsequent financial periods. The participation fee in respect of the current and prior period is included in administrative expenses.

Reconciliation of operating profit to net cash inflow from operating activities:	2000 £'000	1999 £'000
Operating profit	16,043	14,989
Movement in relation to associated undertaking	-	38
Depreciation	5,701	5,315
Profit on sale of tangible fixed assets	(14)	(136)
Decrease/(increase) in debtors	497	(381)
Increase in creditors	388	1,052
<b>Net cash inflow from operating activities</b>	<b>22,615</b>	<b>20,877</b>

### 6. INFORMATION REGARDING DIRECTORS

	2000 £'000	1999 £'000
Emoluments for qualifying services	184	205
Pension contributions in respect of director's personal money purchase scheme	101	101
	<b>285</b>	<b>306</b>
	<b>No.</b>	<b>No.</b>
Number of directors who are members of a personal money purchase pension scheme	1	1
	<b>£'000</b>	<b>£'000</b>
Aggregate of emoluments (excluding pension contributions) of the highest paid director	184	205

There are no share options, nor long term incentive schemes. Messrs D C Ord and M A Skelton received no remuneration for their services as directors to the company.

**FIRST CORPORATE CONSULTANTS LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 2000**

<b>7.</b>	<b>INFORMATION REGARDING EMPLOYEES (INCLUDING DIRECTORS)</b>	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
	Wages and salaries	13,771	12,748
	Social security costs	1,110	1,019
	Other pension costs	1,469	1,177
		<u>16,350</u>	<u>14,944</u>
	The average number of persons employed by the group during the year was:	<b>No.</b>	<b>No.</b>
	Port operations	446	432
	Administration and general	51	51
		<u>497</u>	<u>483</u>
<b>8.</b>	<b>INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
	Bank loans and overdrafts wholly repayable within five years	3,914	3,955
	Other loans not wholly repayable within five years	405	558
	Finance charges payable under finance leases	75	92
		<u>4,394</u>	<u>4,605</u>
<b>9.</b>	<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
	Corporation tax at 30% (1999: 30.75%)	3,286	3,038
	Deferred taxation	-	(70)
	In respect of joint venture	28	-
	Adjustment in respect of prior years - corporation tax	172	(32)
		<u>3,486</u>	<u>2,936</u>
	The taxation charge for 1999 and 2000 was disproportionately low due to the non-recognition of deferred tax in respect of certain fixed asset timing differences.		
<b>10.</b>	<b>DIVIDENDS</b>	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
	Equity shares		
	Dividends paid - Ordinary shares	<u>762</u>	<u>530</u>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 11. INTANGIBLE FIXED ASSETS

Group	Negative goodwill £'000
<b>Cost</b>	
At 1 July 1999	-
Acquisitions	(709)
	<hr/>
At 30 June 2000	(709)
	<hr/>
<b>Net book value</b>	
At 30 June 2000	(709)
	<hr/>
At 30 June 1999	-
	<hr/>

Goodwill arising on the acquisition of Agricultural Bulk Services (Bristol) Limited is to be amortised over its useful economic life of 18 years.

### 12. TANGIBLE FIXED ASSETS

Group	Long leasehold investment properties £'000	Leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 July 1999	62,007	92,537	73,450	227,994
Additions	267	2,294	8,488	11,049
Subsidiary acquired	-	8,127	5,123	13,250
Disposals	-	(169)	(182)	(351)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	62,274	102,789	86,879	251,942
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 July 1999	-	5,472	21,472	26,944
Subsidiary acquired	-	1,916	2,772	4,688
Charge for the year	-	1,220	4,481	5,701
Disposals	-	-	(165)	(165)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	-	8,608	28,560	37,168
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 June 2000	62,274	94,181	58,319	214,774
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	62,007	87,065	51,978	201,050
	<hr/>	<hr/>	<hr/>	<hr/>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 12. TANGIBLE FIXED ASSETS (continued)

Group	Long leasehold investment properties £'000	Leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Historical cost</b>				
At 30 June 2000	25,200	62,470	86,867	174,537
Accumulated historical depreciation	-	(8,608)	(28,548)	(37,156)
<b>Net book value at 30 June 2000</b>	<u>25,200</u>	<u>53,862</u>	<u>58,319</u>	<u>137,381</u>
Net book value at 30 June 1999	<u>24,933</u>	<u>46,746</u>	<u>51,978</u>	<u>123,657</u>

The net book values include the following amounts in respect of assets held under finance leases:

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Leasehold land and buildings	303	331	-	-
Plant and machinery	754	434	-	-
	<u>1,057</u>	<u>765</u>	<u>-</u>	<u>-</u>

The investment properties were valued at £61,313,000 at open market value and the leasehold land and buildings at £91,516,000 at open market value for existing use on 30 June 1997 by Hartnell Taylor Cook, Chartered Surveyors. The valuations were prepared in accordance with the Statement of Asset Valuation Practice and Guidance Notes issued by The Royal Institution of Chartered Surveyors. As at 30 June 2000 the directors consider that there is no material movement in the valuation of the investment property. As the revaluation relates to land there is no depreciation effect.

In accordance with the transitional rules of Financial Reporting Standard 15 'Tangible Fixed Assets' leasehold land and buildings, which were revalued in prior years have not been revalued during the year. The carrying value relating to the previous valuation performed as at 30 June 1997 has been carried forward in this year's accounts.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 12. TANGIBLE FIXED ASSETS (continued)

Company	Long leasehold investment properties £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 July 1999	-	38	38
Additions	100	-	100
	<hr/>	<hr/>	<hr/>
At 30 June 2000	100	38	138
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 July 1999	-	17	17
Charge for the year	-	2	2
	<hr/>	<hr/>	<hr/>
At 30 June 2000	-	19	19
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 2000	100	19	119
	<hr/>	<hr/>	<hr/>
At 30 June 1999	-	21	21
	<hr/>	<hr/>	<hr/>

The long leasehold investment properties were valued at £100,000 at open market value at 30 June 2000 by the directors.

### 13. INVESTMENTS

Company	2000 £'000	1999 £'000
At 1 July 1999	54	54
Additions	40	-
	<hr/>	<hr/>
At 30 June 2000	94	54
	<hr/>	<hr/>

## FIRST CORPORATE CONSULTANTS LIMITED

### NOTES TO THE ACCOUNTS

Year ended 30 June 2000

#### 13. INVESTMENTS (continued)

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

Subsidiary undertakings	Country of incorporation	Holding	Proportion held	Nature of business
First Corporate Shipping Limited	England & Wales	Ordinary shares	53%	Provision of port facilities, cargo handling, storage and rental of properties
First Corporate Shipping Limited	England & Wales	Preferred 'B' shares	53%	Provision of port facilities, cargo handling, storage and rental of properties
The Bristol Port Company (Trustees) Limited*	England & Wales	Ordinary shares	100%	Pension fund trustee
The Bristol Bulk Company Limited*	England & Wales	Ordinary shares	75%	Dormant
Proudagent Enterprises Limited*	England & Wales	Ordinary shares	100%	Dormant
Revelmade Projects Limited*	England & Wales	Ordinary shares	100%	Farming and land management
Crestcredit Projects Limited*	England & Wales	Ordinary shares	100%	Estate management
Bristol and Gloucester Pilot Boat Company Limited*	England & Wales	Ordinary shares	100%	Dormant
Agricultural Bulk Services (Bristol) Limited*	England & Wales	Ordinary shares	100%	Warehousing and delivery of imported agricultural feed products
First Corporate Management Limited	England & Wales	Ordinary shares	50%	Provision of management services

\* denotes that the holdings are indirectly held.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 14. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	4,024	4,856	-	-
Amounts due from joint venture undertaking	-	79	-	-
Amounts due from group companies	-	-	1,201	-
Other debtors	1,765	978	100	848
Prepayments and accrued income	43	108	-	-
	<u>5,832</u>	<u>6,021</u>	<u>1,301</u>	<u>848</u>

All debtors fall due within one year.

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Loans (note 17)	825	825	-	-
Obligations under finance leases (note 18)	144	183	-	-
Trade creditors	2,179	1,568	-	-
Current corporation tax	3,001	2,728	-	-
Other taxes and social security costs	448	374	70	54
Other creditors	1,246	1,533	-	-
Accruals and deferred income	4,767	4,632	110	55
Subsidiary dividends due to minority interests	2,794	1,849	-	-
	<u>15,404</u>	<u>13,692</u>	<u>180</u>	<u>109</u>

### 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
Group	£'000	£'000
Loans (note 17)	56,073	49,305
Obligations under finance leases (note 18)	964	733
	<u>57,037</u>	<u>50,038</u>



# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 17. LOANS

Group	2000 £'000	1999 £'000
Wholly repayable within five years - bank term loan and revolving credit facility	52,500	45,000
Not wholly repayable within five years - bank loan	4,630	5,455
	<u>57,130</u>	<u>50,455</u>
Included in creditors - amounts falling due within one year (note 15)	(825)	(825)
Financing costs carried forward	(232)	(325)
	<u>56,073</u>	<u>49,305</u>
	<b>£'000</b>	<b>£'000</b>
Amounts repayable by instalments:		
- within one year	825	825
- within one to two years	825	825
- within two to five years	54,975	47,475
- after five years	505	1,330
	<u>57,130</u>	<u>50,455</u>
Details of loans not wholly repayable within five years are as follows:	<b>£'000</b>	<b>£'000</b>
Term loan secured on land and buildings, repayable by instalments:		
- by 2005, fixed interest at 8.27%	2,400	2,880
- by 2006, variable interest rate linked to Libor	1,110	1,295
- by 2007, variable interest rate linked to Libor	1,120	1,280
	<u>4,630</u>	<u>5,455</u>

The bank term loan and revolving credit facility of £52,500,000 is secured by a first legal mortgage on certain charged properties and by a floating charge on all other assets. The bank loan is secured on certain charged properties. The company has made use of interest rate swaps to fix interest rates on certain loans.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 18. OBLIGATIONS UNDER LEASES

#### Finance leases

#### Group

	2000 £'000	1999 £'000
The maturity of amounts due under finance leases is as follows:		
Amounts payable:		
- within one year	245	264
- within one to two years	221	126
- within two to five years	501	329
- after five years	1,226	1,302
	<hr/> 2,193	<hr/> 2,021
Less: finance charges allocated to future periods	(1,085)	(1,105)
	<hr/> 1,108	<hr/> 916
	<hr/> <b>£'000</b>	<hr/> <b>£'000</b>
Finance leases are analysed as follows:		
- due within one year	144	183
- due after more than one year	964	733
	<hr/> 1,108	<hr/> 916

Finance leases are secured on the related assets. Finance leases not wholly repayable within five years amounted to £599,000 as at 30 June 2000 (1999: £605,000) for the group.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 19. PROVISIONS FOR LIABILITIES AND CHARGES

Group	£'000
Balance at 1 July 1999 and at 30 June 2000	<u>2,106</u>

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided		Unprovided	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Capital allowances in advance of depreciation	408	359	5,168	4,742
Other short-term timing differences	(408)	(359)	-	-
	<u>-</u>	<u>-</u>	<u>5,168</u>	<u>4,742</u>
Gain deferred by rollover relief	-	-	1,018	1,018
Potential capital gains tax on revalued properties	2,106	2,106	25,166	28,925
	<u>2,106</u>	<u>2,106</u>	<u>31,352</u>	<u>34,685</u>

### 20. SHARE CAPITAL

	2000		1999	
	No.	£	No.	£
<b>Authorised</b>				
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>100</u>	<u>100</u>
	No.	£	No.	£
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	<u>167</u>	<u>167</u>	<u>100</u>	<u>100</u>

At 30 June 2000, 67 additional ordinary shares of £1 were issued in consideration for an increased shareholding in First Corporate Shipping Limited.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2000

### 21. MOVEMENT IN RESERVES

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The profit dealt with in the accounts of the company and before the payment of dividends is £1,383,000 (1999: £1,029,000). After dividends the profit is £620,000 (1999: £499,000).

Group	Revaluation reserve £'000	Capital reserve £'000	Other reserve on acquisition and merger £'000	Profit and loss account £'000
At 1 July 1999	41,019	15,897	71	13,661
Amortisation of negative goodwill	-	(398)	-	398
Arising on acquisition and merger	-	-	1,086	-
Retained profit for the year	-	-	-	2,349
<b>At 30 June 2000</b>	<b>41,019</b>	<b>15,499</b>	<b>1,157</b>	<b>16,408</b>

Company	£'000	£'000	£'000	£'000
At 1 July 1999	-	-	-	824
Retained profit for the year	-	-	-	620
<b>At 30 June 2000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,444</b>

### 22. CAPITAL COMMITMENTS

Group	2000 £'000	1999 £'000
Contracted for but not provided	4,748	872

The company had no capital commitments at 30 June 2000 nor 30 June 1999.

**FIRST CORPORATE CONSULTANTS LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 2000**

**23. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 July 1999 £'000	Cash flows £'000	Acquisition excluding cash £'000	Other changes £'000	At 30 June 2000 £'000
Cash at bank and in hand	4,455	(250)	-	-	4,205
Debt due within one year	(825)	825	-	(825)	(825)
Debt due after one year	(49,630)	(7,500)	-	825	(56,305)
Finance leases	(917)	199	(390)	-	(1,108)
	<u>(46,917)</u>	<u>(6,726)</u>	<u>(390)</u>	<u>-</u>	<u>(54,033)</u>

**24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET DEBT**

	2000 £'000	1999 £'000
(Decrease)/increase in cash in the year	(250)	1,406
Cash inflow from increase in loan financing	(6,675)	945
Finance lease repayments	199	185
Movement in net (debt)/funds in the year	<u>(6,726)</u>	<u>2,536</u>
Non-cash movements	(390)	-
Net debt at 1 July	<u>(46,917)</u>	<u>(49,453)</u>
Net debt at 30 June	<u>(54,033)</u>	<u>(46,917)</u>

**25. PURCHASE OF A SUBSIDIARY UNDERTAKING**

**Agricultural Bulk Services (Bristol) Limited**

	2000 £
Net assets acquired	
Tangible fixed assets	4,281
Debtors	137
Cash at bank	61
Other long term receivables	10,129
Creditors	<u>(6,524)</u>
	8,084
Negative goodwill	<u>(709)</u>
	<u>7,375</u>
Satisfied by:	
Cash	<u>7,375</u>

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **NOTES TO THE ACCOUNTS**

**Year ended 30 June 2000**

#### **26. POST BALANCE SHEET EVENT**

On 27 September 2000 First Corporate Consultants Limited purchased 100% of the non-equity preferred 'A' shares in First Corporate Shipping Limited.

#### **27. RELATED PARTIES**

Advantage has been taken of the exemption within FRS8 'Related Party Transactions' not to disclose transactions between group companies.

During the period to 28 April 2000 First Corporate Shipping Limited charged Agricultural Bulk Services (Bristol) Limited a total of £389,644 (1999: £587,998) in respect of services and Agricultural Bulk Services (Bristol) Limited charged First Corporate Shipping Limited £45,104 (1999: £28,118) in respect of ship related services. As of 28 April 2000 the company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 whereby related party transactions within the group need not be disclosed.