

Company Registered Number 2155845

FIRST CORPORATE CONSULTANTS LIMITED

Report and Consolidated Financial Statements

30 June 2011



FIRST CORPORATE CONSULTANTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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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

4 More London Riverside
London
SE1 2AU

SOLICITORS

Lawrence Graham LLP
4 More London Riverside
London
SE1 2AU

PRINCIPAL BANKERS

The Royal Bank of Scotland plc
3rd Floor
3 Temple Back East
Bristol
BS1 9DZ

HSBC Private Bank (UK) Limited
78 St James's Street
London
SW1A 1JB

AUDITOR

Deloitte LLP
Bristol

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

PRINCIPAL ACTIVITY

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. There have not been any significant changes in the group's or the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the group's or the company's activities in the next year.

GOING CONCERN

The company's business activities, together with its performance, position and the factors likely to affect its future development, are set out in the Review of the Business below. Further in the directors' report the main risks and uncertainties facing the business are discussed and, in note 1 to the financial statements, the use of financial instruments to manage interest rate risk is also discussed. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The company was profitable in the year. The directors have considered forecast profit and associated cash flows for the coming year. The directors have considered the facilities available to the entity (through the group) and are of the opinion that the company and the group can operate within the facilities available for the period of the cash flow forecast. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

RESULTS AND DIVIDENDS

The directors are pleased to report a satisfactory year's trading in what have been challenging economic circumstances. The financial key performance indicators monitored by the directors are shown below.

	2011	2010
	£'000	£'000
Turnover	65,501	63,661
Operating profit	18,223	14,768
Profit on ordinary activities before taxation	11,971	8,462
Profit on ordinary activities after taxation	8,116	4,628
Profit on ordinary activities after taxation and minority interest	3,833	1,412
Net cash inflow from operating activities	28,851	23,405
Capital expenditure	5,843	6,034

Turnover increased by 3% on the prior year, notwithstanding lower coal and car volumes. Cost-control measures have continued, with the result that the group has achieved an operating profit of £18,223,000, some 12% ahead of the prior year. Cash inflow from operating activities was £28,851,000. The main items of capital expenditure were those in relation to the proposed Deep Sea Container Terminal, completion of a new bulk shed in Avonmouth and equipment to warehouse and handle cargo for a new customer.

An interim dividend of £880,000 (2010: £11,626,000) was paid during the year and no dividend (2010: £nil) has been proposed at the year-end.

Non-financial key performance indicators reviewed by the directors of the main trading subsidiary, First Corporate Shipping Limited, are detailed in that company's Report and Consolidated Financial Statements.

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT (continued)

FUTURE DEVELOPMENTS

The group remains confident for the future

In March 2010, the group was successful in securing a Harbour Revision Order for the development of a deep sea container terminal on the Avonmouth foreshore. Further details are given in note 9

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its competitors. The group manages this risk by having fast response times to changes in ship arrival times and by close relationships with customers.

The group has property interests which are integral to its activities and form an important part of its assets and revenues. While property values are affected primarily by wider market conditions, the group actively manages its estate to ensure that both the assets and the related revenues are maintained.

The group is financed through internally generated cash, term loans, mortgages and revolving credit. Some 80% of the group's loan interest exposure has been fixed for a period of five years thereby limiting the risk from rising interest rates. The group has put in place banking facilities which are sufficient for its needs.

HEALTH AND SAFETY

The group takes its safety responsibilities seriously and strives to operate safe working practices and eliminate accidents. The group operates in a potentially hazardous industry, the main risks of which relate to people involved in the loading and discharging of cargoes. The group is committed to continuous improvement in health and safety through control of risk which includes unannounced audits of health and safety by the dedicated Health and Safety Department. During the year the group implemented a new safety system which consolidates previous systems and provides consistent preparation and authorisation of Risk Assessments and Permits to Work throughout the port.

MARKET VALUE OF LAND AND BUILDINGS

A valuation of the investment properties was performed at 30 June 2007 by Hartnell Taylor Cook LLP, Chartered Surveyors, and updated by the directors as at 30 June 2011. The total valuation was £56,937,000 (2010: £56,937,000). Further details are given in note 10.

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.

Details of the number of employees and related costs can be found in note 5 to the financial statements.

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT (continued)

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.

RESEARCH AND DEVELOPMENT

Research and development is focused on the development of new projects capable of generating additional revenue and profit.

DIRECTORS

The directors during the year and subsequently were as follows:

T C Mordaunt
D C Ord
M A Skelton

The directors' interests in other UK group companies are disclosed in the accounts of those companies.

ENVIRONMENT POLICY

The main trading subsidiary of the company, First Corporate Shipping Limited, as a Statutory Harbour Authority, exercises its functions with regard to nature, conservation and other related environmental considerations (Section 48A Harbours Act 1964), including its role as a relevant authority under the Habitats Regulations 1994 and Countryside and Rights of Way Act 2000.

The group manages its operation and projects in a sustainable manner and in doing so maintains an appropriate balance between meeting its commercial requirement for economic growth and its environmental responsibilities. In July 2007 three 2Mw E82 Enercon wind turbines were erected on the foreshore at Avonmouth Dock. The turbines generate approximately 17.5GWh of green power per year (enough to power around 4,000 homes).

DONATIONS

During the year the group made charitable contributions of £141,597 (2010: £1,209,728) and political donations to the Conservative Party of £nil (2010: £10,000).

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

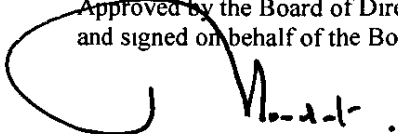
Each of the directors at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

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

A handwritten signature in black ink, appearing to read 'T C Mordaunt', is written over the printed name and date below.

T C Mordaunt
Director
17 February 2012

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 the 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, and
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST CORPORATE CONSULTANTS LIMITED

We have audited the financial statements of First Corporate Consultants Limited for the year ended 30 June 2011 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Reconciliation of Movements in Shareholders' Funds, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

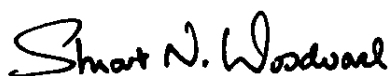
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stuart Woodward (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
17 February 2012

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2011

	Note	2011 £'000	2010 £'000
TURNOVER	2	65,501	63,661
Cost of sales		(37,056)	(37,012)
GROSS PROFIT		28,445	26,649
Administration expenses		(10,320)	(12,141)
		18,125	14,508
Other operating income	3	98	260
OPERATING PROFIT	4	18,223	14,768
Investment income		7	6
Interest receivable and similar income		15	22
Interest payable and similar charges	6	(6,274)	(6,334)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,971	8,462
Tax on profit on ordinary activities	7	(3,855)	(3,834)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		8,116	4,628
Minority interest	20	(4,283)	(3,216)
PROFIT AFTER MINORITY INTEREST	19	3,833	1,412

All results 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 historical cost basis. Accordingly, a note of historical cost profits and losses is not given.

FIRST CORPORATE CONSULTANTS LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****For the year ended 30 June 2011**

	Note	2011 £'000	2010 £'000
Profit for the financial year		3,833	1,412
Actuarial gains/(losses) relating to the pension scheme	22	8,456	(2,004)
UK deferred tax attributable to actuarial (gains)/losses	22	(2,417)	561
Total recognised gains/(losses) relating to the year		<u>9,872</u>	<u>(31)</u>

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**For the year ended 30 June 2011**

	Note	£'000
At 1 July 2010		95,632
Total recognised gains relating to the year		9,872
Dividends	8	<u>(880)</u>
At 30 June 2011		<u>104,624</u>

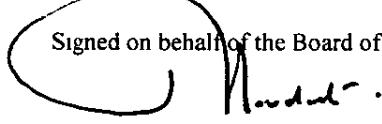
FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED BALANCE SHEET At 30 June 2011

	Note	2011		2010	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	9		5,331		4,088
Tangible assets	10		292,040		299,418
Investments	11		3,209		3,207
			<u>300,580</u>		<u>306,713</u>
CURRENT ASSETS					
Debtors	12	6,502		6,213	
Cash at bank and in hand	23	3,318		2,802	
		<u>9,820</u>		<u>9,015</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(21,795)		(29,926)	
NET CURRENT LIABILITIES			<u>(11,975)</u>		<u>(20,911)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			288,605		285,802
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14		(82,217)		(82,770)
PROVISIONS FOR LIABILITIES	17		(6,097)		(6,822)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>200,291</u>		<u>196,210</u>
NET PENSION LIABILITY	22		(3,422)		(14,854)
NET ASSETS INCLUDING PENSION LIABILITY			<u>196,869</u>		<u>181,356</u>
CAPITAL AND RESERVES					
Called up share capital	18		-		-
Revaluation reserve	19		60,374		60,374
Capital reserve	19		15,640		11,532
Other reserve	19		1,158		1,158
Profit and loss account	19		27,452		22,568
Total equity shareholders' funds			<u>104,624</u>		<u>95,632</u>
Minority interest	20		92,245		85,724
SHAREHOLDERS' FUNDS			<u>196,869</u>		<u>181,356</u>

The financial statements of First Corporate Consultants Limited, registered number 2155845, were approved by the board of directors and authorised for issue on 17 February 2012

Signed on behalf of the Board of Directors


T C Mordaunt
Director

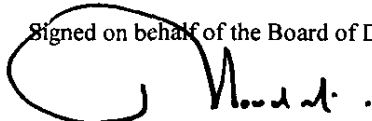
FIRST CORPORATE CONSULTANTS LIMITED

COMPANY BALANCE SHEET At 30 June 2011

	Note	2011		2010	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	10		31		51
Investments	11		53,273		53,271
			<u>53,304</u>		<u>53,322</u>
CURRENT ASSETS					
Debtors	12	31,188		31,042	
Cash at bank and in hand		536		103	
		<u>31,724</u>		<u>31,145</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(1,947)</u>		<u>(3,023)</u>	
NET CURRENT ASSETS			29,777		28,122
NET ASSETS			<u>83,081</u>		<u>81,444</u>
CAPITAL AND RESERVES					
Called up share capital	18		-		-
Profit and loss account	19		83,081		81,444
SHAREHOLDERS' FUNDS			<u>83,081</u>		<u>81,444</u>

The financial statements of First Corporate Consultants Limited, registered number 2155845, were approved by the board of directors and authorised for issue on 17 February 2012

Signed on behalf of the Board of Directors



T C Mordaunt
Director

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2011

	Note	2011		2010	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	4		28,851		23,405
Returns on investments and servicing of finance					
Investment income		7		6	
Interest received		15		22	
Interest paid		(5,433)		(4,911)	
Preference dividends paid		(384)		(514)	
Interest element of finance lease rental payments		-		(58)	
Subsidiary dividends paid to minority interest		(2,734)		(11,972)	
Net cash outflow from returns on investments and servicing of finance			(8,529)		(17,427)
Taxation					
UK corporation tax paid			(4,126)		(5,191)
Capital expenditure					
Payments to acquire tangible fixed assets		(4,933)		(5,475)	
Receipts from sales of tangible fixed assets		63		481	
Payments to acquire intangible fixed assets		(1,203)		(333)	
Net cash outflow from capital expenditure			(6,073)		(5,327)
Equity dividends paid			(880)		(11,626)
Management of liquid resources					
Purchase of equities		(2)		(40)	
Net cash outflow from management of liquid resources			(2)		(40)
Cash inflow/(outflow) before financing			9,241		(16,206)
Financing					
Debt due within one year - repayment of secured loan		(225)		(225)	
Debt due after one year - drawdown of loan		4,000		78,507	
Debt due after one year - repayment of secured loan		(4,000)		(68,500)	
Capital element of finance lease rental payments		-		(495)	
Redemption of Redeemable Shares		(8,500)		-	
Net cash (outflow)/inflow from financing			(8,725)		9,287
Increase/(decrease) in cash in the year	23		516		(6,919)

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial years, are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of long leasehold investment properties.

Basis of 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 408 of the Companies Act 2006, the company's own profit and loss account is not presented.

Going concern

The going concern basis has been deemed appropriate for the preparation of the accounts as discussed in the Directors' Report.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of port services and the rental of land and buildings to third party customers. Turnover is recognised on an accruals basis at the point where the right to receive consideration is earned. Where income is invoiced in advance, the amounts are recorded as deferred income and included as part of creditors due within one year.

Mergers

The Companies Act and Financial Reporting Standard 6 'Acquisitions and Merger Accounting' permit group reconstructions to be accounted for through the principles of merger accounting. In such cases the Companies Act requires 90% of the nominal value of shares in the undertaking acquired to be held by or on behalf of the parent, which was not the case with the group reconstruction which took place in 2000. The directors consider that, because of the nature of the group reconstruction and because there had 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES (continued)

Acquisitions

The Companies Act 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' (FRS10), 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 19). If this departure from the Act had not been made, goodwill as stated in the balance sheet would have been increased by £2,185,000 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, both positive and negative, 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 FRS10 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.

Intangible fixed assets

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is recognised as an intangible fixed asset. Intangible fixed assets are recognised at amortised cost, less any impairment. Amortisation is provided on an asset-by-asset basis over the asset's useful economic life, on a basis to correspond with the consumption of its economic benefits. Intangible fixed assets are not amortised where consumption of economic benefits has not yet commenced.

Tangible fixed assets

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

Included within long leasehold land and buildings

Buildings	up to 50 years
Docks and dock structures	up to 65 years

Included within plant and equipment

Floating craft	up to 20 years
Fixed plant and equipment	up to 20 years
Mobile plant	up to 10 years
Computer equipment	up to 3 years

Long leasehold land is not depreciated as the leases span over 100 years and the related depreciation, in the opinion of the directors, would be immaterial.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES (continued)

Revaluation of fixed assets

In accordance with the transitional provisions of Financial Reporting Standard 15 'Tangible Fixed Assets', leasehold land and buildings, other than investment properties, that 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. This revaluation relates to the land value only.

Capitalised interest

Finance costs that are directly attributable to the construction of certain major tangible fixed assets are capitalised as part of the cost of those assets. The capitalisation rate applied is the group's borrowing rate on the loans used to finance those assets.

Investments

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

Investment properties

In accordance with Statement of Standard Accounting Practice 19 'Accounting for investment properties' (SSAP19), 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 directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP19 as these properties are not held for consumption but for their investment potential.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by any related 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.

Impairment

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether any assets have suffered an impairment loss. Where such a loss is identified and deemed to be permanent, the impairment is charged against the profit and loss account or against the revaluation reserve, if applicable.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES (continued)

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.

Financial instruments

Financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument. 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.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Interest rate swaps are related to actual liabilities and convert variable rate interest to a fixed rate. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

If an instrument ceases to be accounted for as a hedge, the instrument is marked to market and any resulting profit or loss recognised at that time.

Pensions

The group operates a defined benefit pension scheme and a defined contribution pension scheme. The defined benefit scheme was closed to new members from November 1999 and new employees may join the defined contribution scheme, which requires contributions to be paid to a separately administered fund.

For the defined benefit scheme, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For the defined contribution scheme the amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES (continued)

Government grants

Capital-based government grants are included within deferred income in the balance sheet and credited to the profit and loss account on a basis consistent with the depreciation policy applying to the assets to which they relate

2. TURNOVER AND SEGMENTAL ANALYSIS

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

	Port operations		Property revenue		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Turnover	59,778	58,962	5,723	4,699	65,501	63,661
Operating profit	12,596	10,142	5,627	4,626	18,223	14,768
Investment income					7	6
Net interest					(6,259)	(6,312)
Profit on ordinary activities before taxation					11,971	8,462

3. OTHER OPERATING INCOME

	2011 £'000	2010 £'000
Profit on sale of fixed assets	60	253
Sale of materials	38	7
	98	260

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

4. OPERATING PROFIT

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

	2011 £'000	2010 £'000
Depreciation of owned fixed assets	12,015	12,338
Amortisation of negative goodwill	(40)	(40)
Profit on disposal of tangible fixed assets and investments	(60)	(253)
Amortisation of Government grant	(742)	(725)
Fees payable to the company's auditor		
- for the audit of the company's annual accounts	2	2
- for the audit of the company's subsidiaries pursuant to legislation	53	53
- total audit fees	55	55
- tax services	48	48

Reconciliation of operating profit to net cash inflow from operating activities:

	2011 £'000	2010 £'000
Operating profit	18,223	14,768
Depreciation	12,015	12,338
Amortisation of negative goodwill	(40)	(40)
Profit on disposal of tangible fixed assets and investments	(60)	(253)
Amortisation of government grant	(742)	(724)
Adjustment for pension funding	(358)	(555)
(Increase)/decrease in debtors	(289)	1,481
Increase/(decrease) in creditors	102	(3,610)
Net cash inflow from operating activities	28,851	23,405

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2011 £'000	2010 £'000
Directors		
Emoluments for qualifying services	597	549
Aggregate of emoluments (excluding pension contributions) of the highest paid director	443	443

There were no pension contributions in respect of defined contribution pension schemes. There are no share options or long-term incentive schemes.

	£'000	£'000
Staff costs, including directors		
Wages and salaries	17,121	17,859
Social security costs	1,433	1,529
Other pension costs	1,209	1,058
	19,763	20,446

The average number of persons employed during the year was

	No.	No.
Port operations	438	468
Administration and general	59	61
	497	529

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Bank loans and overdrafts wholly repayable within five years	5,083	4,812
Finance charges payable under finance leases	-	58
Finance costs of redeemable shares	384	514
Amortisation of capitalised finance costs	500	276
Interest payable	5,967	5,660
Finance costs associated with defined benefit pension scheme	307	674
	6,274	6,334

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
Current tax charge for the year (see below)		
- UK corporation tax on profits in the year	4,837	4,516
- adjustment in respect of prior years	(270)	(449)
Total current tax	4,567	4,067
Deferred tax		
- timing differences, origination and reversal	(297)	(168)
- impact of increase in tax rate	(474)	-
- adjustment in respect of prior years	46	(32)
- non-actuarial timing differences re FRS17*	13	(33)
Tax on profit on ordinary activities	3,855	3,834

* Financial Reporting Standard 17 'Retirement Benefits'

Factors affecting tax charge for the year

Profit on ordinary activities before taxation	11,971	8,462
Tax at 27.5% (2010 28%) thereon	3,292	2,369
Effects of		
- non-taxable income and expenses not deductible for tax purposes	1,229	893
- timing differences relating to fixed assets	332	1,259
- movement in short-term timing differences	(16)	(15)
- utilisation of tax losses	-	10
Adjustment in respect of prior years	(270)	(449)
Current tax charge for the year (see above)	4,567	4,067

In the budget on 23 March 2011 the government announced that legislation will be introduced in the Finance Bill 2011 to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011. Due to the dates of the company's accounting period, the change in tax rate has resulted in a blended rate for the period of 27.5%.

Factors that may affect the future tax charge

Deferred tax has not been provided on revaluations of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £21,790,000 (2010 £24,446,000).

Deferred tax has not been provided in respect of gains realised that are expected to be rolled over into the acquisition cost of replacement assets. This tax will become payable if suitable replacement assets are not acquired or if those replacement assets are sold and further rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £618,000 (2010 £666,000).

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2011

8. DIVIDENDS

	2011 £'000	2010 £'000
Equity shares		
Interim paid, £5,269 per ordinary share (2010 £69,616)	880	11,626
Final proposed, nil per ordinary share (2010 nil)	-	-
	<u>880</u>	<u>11,626</u>

9. INTANGIBLE FIXED ASSETS

Group	Harbour Revision Order £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 July 2010	4,397	(709)	3,688
Additions	1,203	-	1,203
At 30 June 2011	<u>5,600</u>	<u>(709)</u>	<u>4,891</u>
Amortisation			
At 1 July 2010	-	(400)	(400)
Written back in year	-	(40)	(40)
At 30 June 2011	<u>-</u>	<u>(440)</u>	<u>(440)</u>
Net book value			
At 30 June 2011	<u>5,600</u>	<u>(269)</u>	<u>5,331</u>
At 30 June 2010	<u>4,397</u>	<u>(309)</u>	<u>4,088</u>

In March 2010, the group was granted a Harbour Revision Order allowing for the construction of a berth on the River Severn at Avonmouth for a Deep Sea Container Terminal. Since this date, expenditure has continued on site investigation works and on the design and impact of compensation land. The amount disclosed above represents the cumulative costs incurred in obtaining the Harbour Revision Order.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

10. TANGIBLE FIXED ASSETS

Group	Long leasehold investment properties £'000	Long leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost or valuation				
At 1 July 2010	56,937	170,062	206,041	433,040
Additions	-	1,031	3,609	4,640
Disposals	-	-	(266)	(266)
At 30 June 2011	56,937	171,093	209,384	437,414
Depreciation				
At 1 July 2010	-	26,569	107,053	133,622
Charge for the year	-	2,168	9,847	12,015
Disposals	-	-	(263)	(263)
At 30 June 2011	-	28,737	116,637	145,374
Net book value				
At 30 June 2011	56,937	142,356	92,747	292,040
At 30 June 2010	56,937	143,493	98,988	299,418

If tangible fixed assets had not been revalued, they would have been included at the following amounts

Group	Long leasehold investment properties £'000	Long leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
Historical cost				
At 30 June 2011	6,849	107,268	209,384	323,501
Accumulated historical depreciation	-	(28,737)	(116,637)	(145,374)
Net book value				
At 30 June 2011	6,849	78,531	92,747	178,127
At 30 June 2010	6,849	79,668	98,988	185,505

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

10. TANGIBLE FIXED ASSETS (continued)

The cost of tangible fixed assets includes £279,000 (2010 £279,000) for the cumulative cost of interest paid in respect of the construction of certain assets

The investment properties were valued at open market value on 30 June 2007 by Hartnell Taylor Cook LLP, Chartered Surveyors, and updated by the directors as at 30 June 2011. The total valuation was £56,937,000 (2010 £56,937,000). The leasehold land was valued at 30 June 1997 by Hartnell Taylor Cook LLP, Chartered Surveyors, on open market value for existing use. The valuations were prepared in accordance with the Statement of Asset Valuation Practice and Guidance Notes issued by The Royal Institution of Chartered Surveyors. In accordance with the group's accounting policies, as the revaluation relates to long leasehold land, there is no depreciation effect.

In accordance with the transitional provisions of Financial Reporting Standard 15 'Tangible Fixed Assets' (FRS15), leasehold land and buildings that were revalued prior to the introduction of FRS15 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. This revaluation relates to the land value only. Long leasehold land and buildings includes an amount of £111,516,000 (2010 £111,516,000) relating to leasehold land which is not depreciated.

Company	Plant and equipment £'000
Cost or valuation	
At 1 July 2010 and at 30 June 2011	234
Depreciation	
At 1 July 2010	183
Charge for the year	20
At 30 June 2011	203
Net book value	
At 30 June 2011	31
At 30 June 2010	51

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

11. INVESTMENTS

Group	Other investments £'000		
Cost			
At 1 July 2010		3,492	
Additions		2	
At 30 June 2011		3,494	
Provisions for impairment			
At 1 July 2010 and at 30 June 2011		285	
Net book value			
At 30 June 2011		3,209	
At 30 June 2010		3,207	
Company	Shares in subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost			
At 1 July 2010	50,064	3,492	53,556
Additions	-	2	2
At 30 June 2011	50,064	3,494	53,558
Provisions for impairment			
At 1 July 2010 and at 30 June 2011	-	285	285
Net book value			
At 30 June 2011	50,064	3,209	53,273
At 30 June 2010	50,064	3,207	53,271

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 undertaking	Country of incorporation	Holding	Proportion held	Nature of business
First Corporate Holdings Limited	England and Wales	Ordinary shares	100%	Investment company
First Corporate Shipping Limited *	England and Wales	Ordinary shares	53%	Provision of port facilities, cargo handling, storage and rental of properties

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

11. INVESTMENTS (continued)

Subsidiary undertaking	Country of incorporation	Holding	Proportion held	Nature of business
First Corporate Shipping Limited *	England and Wales	Preferred 'B' shares	53%	Provision of port facilities, cargo handling, storage and rental of properties
The Bristol Port Company (Trustees) Limited *	England and Wales	Ordinary shares	100%	Pension fund trustee
The Bristol Bulk Company Limited *	England and Wales	Ordinary shares	75%	Dormant
Crestcredit Projects Limited *	England and Wales	Ordinary shares	100%	Estate management
Bristol and Gloucester Pilot Boat Company Limited *	England and Wales	Ordinary shares	100%	Dormant
Agricultural Bulk Services (Bristol) Limited *	England and Wales	Ordinary shares	100%	Dormant

* denotes that the holdings are indirectly held

Included within other investments of the company and the group are investments in shares with a cost of £145,000 (2010 £145,000) which are quoted on the London Stock Exchange. The market value of these shares at 30 June 2011 was £188,000 (2010 £175,000)

12. DEBTORS

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade debtors	4,390	4,591	-	-
Amounts owed by group companies	-	-	30,929	30,784
Corporation tax	-	10	-	10
Other debtors	393	337	259	248
Prepayments and accrued income	1,719	1,275	-	-
	<u>6,502</u>	<u>6,213</u>	<u>31,188</u>	<u>31,042</u>

All debtors fall due within one year

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Loans (note 15)	2,102	2,102	1,877	1,877
Debt component of share capital	-	8,500	-	-
Trade creditors	2,351	1,794	-	-
Amounts owed to subsidiary undertakings	-	-	10	10
Current corporation tax	4,192	3,751	44	-
Other taxes and social security costs	1,023	765	13	11
Other creditors	1,143	2,165	(1)	950
Accruals and deferred income	8,798	9,045	4	175
Dividends	2,186	1,804	-	-
	<u>21,795</u>	<u>29,926</u>	<u>1,947</u>	<u>3,023</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group	2011	2010
	£'000	£'000
Loans (note 15)	73,782	73,707
Other creditors	1,027	1,027
Accruals and deferred income (note 16)	7,408	8,036
	<u>82,217</u>	<u>82,770</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

15. BANK LOANS

Group	2011 £'000	2010 £'000
Wholly repayable within five years		
- bank term loan and revolving credit facility	72,000	72,000
- bank loans	4,802	5,027
	<hr/> 76,802	<hr/> 77,027
Included in creditors - amounts falling due within one year (note 13)	(2,102)	(2,102)
Financing cost carried forward	(918)	(1,218)
	<hr/>	<hr/>
Included in creditors - amounts falling due after more than one year (note 14)	73,782	73,707
	<hr/>	<hr/>
Amounts repayable by instalments		
- within one year	2,102	2,102
- within one to two years	225	225
- within two to five years	72,675	72,675
- after five years	1,800	2,025
	<hr/> 76,802	<hr/> 77,027
	<hr/>	<hr/>
Bank loans secured on land and buildings, repayable by instalments		
- by 2012, variable interest rate linked to LIBOR	2,102	2,102
- by 2013, variable interest rate linked to LIBOR	225	225
- by 2014, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	2,250	2,475
	<hr/> 4,802	<hr/> 5,027
	<hr/>	<hr/>

The bank revolving credit facility of £72,000,000 (2010 £72,000,000) is secured by a first legal mortgage on certain properties and by a floating charge on all other assets. The bank loan is secured on certain charged properties. The group has made use of interest rate swaps to fix interest rates on certain loans. These swap contracts, with nominal values averaging £64,000,000 (2010 £64,000,000), have fixed interest payments at an average rate of 4.547% (2010 4.925%) for periods up until June 2015 (2010 June 2014) and have floating interest receipts at LIBOR. The fair value of interest rate swap contracts open at the year-end is a liability of £6,925,000 (2010 a liability of £8,199,000). Borrowings not covered by interest rate swap contracts are subject to variable interest rates linked to LIBOR.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

16. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is

Group	£'000		
Government grant			
At 1 July 2010	8,778		
Release to profit and loss account	(742)		
	<hr/>		
At 30 June 2011	8,036		
	<hr/>		
	2011	2010	
	£'000	£'000	
The government grant balance is analysed as follows			
- due within one year	628	742	
- due after more than one year (note 14)	7,408	8,036	
	<hr/>	<hr/>	
	8,036	8,778	
	<hr/>	<hr/>	

17. PROVISIONS FOR LIABILITIES

Group	£'000		
Deferred taxation			
At 1 July 2010	6,822		
Charge to profit and loss account	(725)		
	<hr/>		
At 30 June 2011	6,097		
	<hr/>		
Analysis of deferred tax balances	2011	2010	
	£'000	£'000	
Capital allowances in excess of depreciation	6,097	6,839	
Short-term timing differences	-	(17)	
	<hr/>	<hr/>	
Provision for deferred tax	6,097	6,822	
	<hr/>	<hr/>	

18. SHARE CAPITAL

	2011	2010
	£	£
Authorised		
200 Ordinary shares of £1 each	200	200
	<hr/>	<hr/>
Allotted, called up and fully paid		
167 Ordinary shares of £1 each	167	167
	<hr/>	<hr/>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

19. MOVEMENT IN RESERVES

	Revaluation reserve £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Group				
At 1 July 2010	60,374	11,532	1,158	22,568
Profit for the financial year	-	-	-	3,833
FRS17*				
- movement on actuarial deficit	-	-	-	8,456
- movement on deferred tax thereon	-	-	-	(2,417)
Amortisation of negative goodwill	-	(397)	-	397
Redemption of redeemable shares	-	4,505	-	(4,505)
Dividends	-	-	-	(880)
At 30 June 2011	60,374	15,640	1,158	27,452

* Financial Reporting Standard 17 'Retirement Benefits'

	Profit and loss account £'000
Company	
At 1 July 2010	81,444
Profit for the financial year	2,517
Dividends	(880)
At 30 June 2011	83,081

Of the revaluation reserve, £50,089,000 (2010 £50,089,000) is attributable to investment properties. Included in the group Capital Reserve is a Capital Redemption Reserve of £8,500,000 relating to the redemption of the redeemable and redeemable 'B' shares of the main trading subsidiary on 31 March 2011.

The profit for the financial year dealt with in the financial statements of the parent company was £2,517,000 (2010 £10,669,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

20. MINORITY INTEREST

	£'000
At 1 July 2010	85,724
Minority interest share of other reserves	5,355
Minority interest in profit for the financial year	4,283
Dividends paid to the minority during the year	(3,117)
At 30 June 2011	92,245

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

21. CAPITAL COMMITMENTS

Group	2011 £'000	2010 £'000
Contracted for but not provided	3,083	925

The company had no capital commitments at 30 June 2011 or at 30 June 2010

22. PENSION COMMITMENTS

The group operates a funded defined benefit pension scheme and a defined contribution pension scheme for its employees. The assets of the schemes are held separately from those of the group in independently administered funds. No other post-retirement benefits are provided.

This reporting statement covers the retirement benefits provided from the Bristol Port Pension Scheme, which is a defined benefit pension scheme. Under this scheme the employees, on attainment of a retirement age of 65 (or 60 if the employee has 25 or more years of service), are entitled to retirement benefits based on a percentage of final salary, dependent on the employee's years of service. The scheme was closed to new members from November 1999. The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 30 June 2010 and updated to 30 June 2011 by a qualified independent actuary.

Assumptions reflect the Government's proposed changes to indexation of pensions from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI). The change in assumptions reduces the value of the liabilities by £6,680,000 (2010: £nil) and this is reflected in the Statement of Total Recognised Gains and Losses.

	2011 £'000	2010 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of funded liabilities	68,005	77,711
Fair value of scheme assets	(63,380)	(57,080)
Deficit	4,625	20,631
Related deferred tax asset	(1,203)	(5,777)
Net liability	3,422	14,854

The amounts recognised in the profit and loss account are as follows:

Current service cost	845	670
Interest cost	4,156	4,059
Expected return on pension scheme assets	(3,849)	(3,385)
Total	1,152	1,344
Actual return on scheme assets	7,453	6,364

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

22. PENSION COMMITMENTS (continued)

	2011 £'000	2010 £'000
Changes in amounts recognised in the statement of total recognised gains and losses are as follows:		
Opening cumulative STRGL	(9,904)	(7,900)
Actuarial gains/(losses)	15,955	(3,781)
Minority interest's share of actuarial (gains)/losses	(7,499)	1,777
Closing cumulative STRGL	(1,448)	(9,904)
 Changes in the present value of the defined benefit liabilities are as follows:		
Opening defined benefit liability	77,711	68,389
Service cost	845	670
Employee contributions	413	430
Interest cost	4,156	4,059
Actuarial gain from changes to indexation of pensions	(6,680)	-
Other actuarial (gains)/losses	(5,671)	6,760
Benefits paid	(2,769)	(2,597)
Closing defined benefit liability	68,005	77,711
 Changes in the fair value of scheme assets are as follows:		
Opening fair value of scheme assets	57,080	51,658
Expected return	3,849	3,385
Actuarial gains	3,604	2,979
Contributions by employer	1,203	1,225
Contributions by members	413	430
Benefits paid	(2,769)	(2,597)
Closing fair value of scheme assets	63,380	57,080

The group's contributions during the period amounted to £1,203,000 (2010 £1,225,000) and the agreed group contribution rate for the coming year is £1,200,000

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

22. PENSION COMMITMENTS (continued)

	2011	2010
Fair values of scheme assets as a percentage of total scheme assets are as follows:		
Equities	46%	39%
Gilts and bonds	21%	23%
Hedge funds	32%	34%
Cash and other	1%	4%
Disclosure of principal assumptions:		
Discount rate at 30 June	5.60%	5.40%
Expected return on scheme assets at 30 June	7.11%	6.81%
Future salary increases	3.60%	3.30%
Rates of increase to pensions in payment		
Accrued before 6 April 1997	2.70%	3.30%
Accrued after 5 April 1997, before April 2005	2.70%	3.30%
Accrued after April 2005	2.50%	2.50%
Age at retirement	63	62
Mortality	SIN	PXA00MC
Projection	CMI 2009	Birth Year
Loading	Nil	5%

The expected return on scheme assets is derived from the assumptions of long-term returns on each class, these are shown below

	2011	2010
Equities	8.00%	8.00%
Absolute return funds	8.00%	8.00%
Corporate bonds	5.60%	5.40%
Index linked bonds	4.00%	4.00%
Cash and other	0.50%	0.50%

Historical pension scheme information

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Present value of funded liabilities	68,005	77,711	68,389	64,280	66,265
Fair value of scheme assets	(63,380)	(57,080)	(51,658)	(57,621)	(57,104)
Deficit	4,625	20,631	16,731	6,659	9,161
Experience adjustments on scheme liabilities	989	(874)	(1,543)	4,572	2,828
Experience adjustments on scheme assets	3,604	2,979	(8,781)	(2,672)	1,377

The group also operates a defined contribution pension scheme. Contributions to the scheme for the year amounted to £361,000 (2010: £388,000). Those employees who are members of the defined contribution pension scheme have their individual funds managed independently by an insurance company. The group contributes to this scheme but has no further involvement or liability.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2010 £'000	Cash flow £'000	Other non-cash changes £'000	At 30 June 2011 £'000
Cash at bank and in hand	2,802	516	-	3,318
Debt due within one year	(2,102)	225	(225)	(2,102)
Debt due after one year	(73,707)	-	(75)	(73,782)
Debt component of share capital	(8,500)	8,500	-	-
	<u>(81,507)</u>	<u>9,241</u>	<u>(300)</u>	<u>(72,566)</u>

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

	2011 £'000	2010 £'000
Increase/(decrease) in cash in the year	516	(6,919)
Draw down of term loan and revolving credit facilities	(4,000)	(10,007)
Cash outflow from decrease in loan and lease financing	4,225	720
Cash outflow on redemption of Redeemable Shares	8,500	-
Other non-cash changes	(300)	(275)
Movement in net debt in the year	<u>8,941</u>	<u>(16,481)</u>
Net debt at 1 July	<u>(81,507)</u>	<u>(65,026)</u>
Net debt at 30 June	<u>(72,566)</u>	<u>(81,507)</u>

25. CONTINGENT LIABILITY

The main trading subsidiary of the company, First Corporate Shipping Limited ("FCS"), is the Competent Harbour Authority ("CHA") for the Port of Bristol. In common with other CHAs, FCS has been made aware of a significant deficit on the Pilots' National Pension Fund ("PNPF"). The latest figures, as at 31 March 2009, value the total PNPF deficit on an on-going basis at £188,000,000. The trustees of the PNPF have obtained a High Court decision concerning their powers to change the pension scheme rules in order to seek additional contributions from CHAs (including where those CHAs only have self-employed pilots, as in the case with the FCS). However, the current value of the deficit, the nature of any possible rule changes relating to its funding and the proportion, if any, which the trustees may therefore seek to attribute to FCS are unknown. For these reasons, the directors continue to regard this as a contingent liability and are unable to make any realistic quantification of the possible liability, were it ever to arise.

FIRST CORPORATE CONSULTANTS LIMITED

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26. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption contained within Financial Reporting Standard 8 'Related Party Disclosures' which does not require the company to disclose transactions with other group companies

First Corporate Shipping Limited incurred management charges of £442,998 (2010 £429,593) from both First Corporate Consultants Limited and David Ord Limited during the year. As at the year-end an amount of £214,631 (2010 £203,449) was owing to both First Corporate Consultants Limited and David Ord Limited. First Corporate Consultants Limited and David Ord Limited are controlled by Messrs T C Mordaunt and D C Ord respectively

27. ULTIMATE CONTROLLING PARTY

The directors consider Mr T C Mordaunt to be the group's ultimate controlling party