

Company Registered Number 2155845

FIRST CORPORATE CONSULTANTS LIMITED

Report and Consolidated Financial Statements

30 June 2012



FIRST CORPORATE CONSULTANTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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FIRST CORPORATE CONSULTANTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T C Mordaunt
D C Ord

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 2012

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.

REVIEW OF THE BUSINESS

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.

	2012	2011
	£'000	£'000
Turnover	74,022	65,501
Operating profit	22,135	18,223
Profit on ordinary activities before taxation	17,615	11,971
Profit on ordinary activities after taxation	12,674	8,116
Profit on ordinary activities after taxation and minority interest	5,722	3,833
Net cash inflow from operating activities	33,972	28,851
Capital expenditure	9,529	5,843

Turnover increased by 13% on the prior year, mainly on the back of increased coal volumes. Cost of sales and administrative expenses have risen on this increased activity, but only by 10%. Operating profit has increased by 22% to £22,135,000. Cash inflow from operating activities was £33,972,000, of this £8,935,000 was used for capital expenditure. Through the year, £8,000,000 was repaid against the RBS facility, leaving a balance of £64,000,000 at the end of the financial year.

An interim dividend of £1,257,000 (2011: £880,000) was paid during the year and no dividend (2011: £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 2012 by Hartnell Taylor Cook LLP, Chartered Surveyors. The total valuation was £53,987,000 (2011: £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 (resigned 2 May 2012)

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 £340,250 (2011: £141,597) and political donations to the Conservative Party of £10,000 (2011: £nil).

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 a large, loopy circular mark.

T C Mordaunt
Director
2 November 2012

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 2012 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 2012 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.

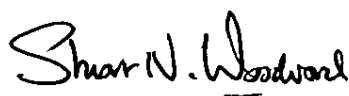
Opinion on other matter prescribed by the Companies Act 2006

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
2 November 2012

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2012

	Note	2012 £'000	2011 £'000
TURNOVER	2	74,022	65,501
Cost of sales		(39,711)	(37,056)
GROSS PROFIT		34,311	28,445
Administration expenses		(12,355)	(10,320)
		21,956	18,125
Other operating income	3	179	98
OPERATING PROFIT	4	22,135	18,223
Investment income		16	7
Interest receivable and similar income		15	15
Interest payable and similar charges	6	(4,551)	(6,274)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,615	11,971
Tax on profit on ordinary activities	7	(4,941)	(3,855)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		12,674	8,116
Minority interest	20	(6,952)	(4,283)
PROFIT AFTER MINORITY INTEREST	19	5,722	3,833

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 2012

	Note	2012 £'000	2011 £'000
Profit for the financial year		5,722	3,833
Deficit arising on revaluation of fixed assets	10	(1,578)	-
Actuarial (losses)/gains relating to the pension scheme	22	(4,006)	8,456
UK deferred tax attributable to actuarial losses/(gains)	22	905	(2,417)
Total recognised gains and losses relating to the year		<u>1,043</u>	<u>9,872</u>

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 30 June 2012

	Note	£'000
At 1 July 2011		104,620
Total recognised gains and losses relating to the year		1,043
Dividends	8	(1,257)
At 30 June 2012		<u>104,406</u>

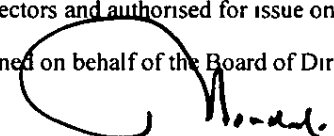
FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED BALANCE SHEET At 30 June 2012

	Note	2012		2011	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	9		5,934		5,331
Tangible assets	10		286,197		292,040
Investments	11		3,398		3,209
			<u>295,529</u>		<u>300,580</u>
CURRENT ASSETS					
Debtors	12	6,812		6,502	
Cash at bank and in hand	23	5,753		3,318	
		<u>12,565</u>		<u>9,820</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(25,864)		(21,799)	
NET CURRENT LIABILITIES			<u>(13,299)</u>		<u>(11,979)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			282,230		288,601
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14		(73,785)		(82,217)
PROVISIONS FOR LIABILITIES	17		(5,350)		(6,097)
NET ASSETS EXCLUDING PENSION LIABILITY			203,095		200,287
NET PENSION LIABILITY	22		(8,453)		(3,422)
NET ASSETS INCLUDING PENSION LIABILITY			<u>194,642</u>		<u>196,865</u>
CAPITAL AND RESERVES					
Called up share capital	18		-		-
Revaluation reserve	19		58,796		60,374
Capital reserve	19		15,242		15,640
Other reserve	19		1,158		1,158
Profit and loss account	19		29,210		27,448
Total equity shareholders' funds			<u>104,406</u>		<u>104,620</u>
Minority interest	20		90,236		92,245
SHAREHOLDERS' FUNDS			<u>194,642</u>		<u>196,865</u>

The financial statements of First Corporate Consultants Limited, registered number 2155845, were approved by the Board of Directors and authorised for issue on 2 November 2012

Signed on behalf of the Board of Directors


T C Mordaunt
Director

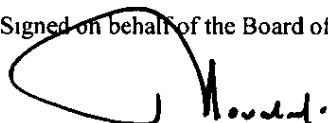
FIRST CORPORATE CONSULTANTS LIMITED

COMPANY BALANCE SHEET At 30 June 2012

	Note	2012		2011	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	10		59		31
Investments	11		53,462		53,273
			<u>53,521</u>		<u>53,304</u>
CURRENT ASSETS					
Debtors	12	32,535		31,188	
Cash at bank and in hand		978		536	
		<u>33,513</u>		<u>31,724</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(1,902)		(1,947)	
NET CURRENT ASSETS			31,611		29,777
NET ASSETS			<u>85,132</u>		<u>83,081</u>
CAPITAL AND RESERVES					
Called up share capital	18		-		-
Profit and loss account	19		85,132		83,081
SHAREHOLDERS' FUNDS			<u>85,132</u>		<u>83,081</u>

The financial statements of First Corporate Consultants Limited, registered number 2155845, were approved by the Board of Directors and authorised for issue on 2 November 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 2012

	Note	2012		2011	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	4		33,972		28,851
Returns on investments and servicing of finance					
Investment income		16		7	
Interest received		15		15	
Interest paid		(4,912)		(5,433)	
Preference dividends paid		-		(384)	
Subsidiary dividends paid to minority interest		(2,987)		(2,734)	
Net cash outflow from returns on investments and servicing of finance			(7,868)		(8,529)
Taxation					
UK corporation tax paid			(5,267)		(4,126)
Capital expenditure					
Payments to acquire tangible fixed assets		(8,372)		(4,933)	
Receipts from sales of tangible fixed assets		211		63	
Payments to acquire intangible fixed assets		(563)		(1,203)	
Net cash outflow from capital expenditure			(8,724)		(6,073)
Equity dividends paid			(1,257)		(880)
Management of liquid resources					
Purchase of equities		(196)		(2)	
Net cash outflow from management of liquid resources			(196)		(2)
Cash inflow before financing			10,660		9,241
Financing					
Debt due within one year - repayment of secured loan		(225)		(225)	
Debt due after one year - drawdown of loan		2,500		4,000	
Debt due after one year - repayment of secured loan		(10,500)		(4,000)	
Redemption of Redeemable Shares		-		(8,500)	
Net cash outflow from financing			(8,225)		(8,725)
Increase in cash in the year	23, 24		2,435		516

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

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 2012

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 is 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 2012

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 2012

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 is 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 2012

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	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Turnover	67,942	59,778	6,080	5,723	74,022	65,501
Operating profit	16,282	12,596	5,853	5,627	22,135	18,223
Investment income					16	7
Net interest					(4,536)	(6,259)
Profit on ordinary activities before taxation					17,615	11,971

3. OTHER OPERATING INCOME

	2012 £'000	2011 £'000
Profit on sale of fixed assets	140	60
Sale of materials	39	38
	179	98

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

4. OPERATING PROFIT

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

	2012 £'000	2011 £'000
Depreciation of owned fixed assets	11,760	12,015
Amortisation of negative goodwill	(40)	(40)
Profit on disposal of tangible fixed assets and investments	(140)	(60)
Amortisation of government grant	(507)	(742)
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	55	53
- total audit fees	57	55
- tax services	57	48

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

	2012 £'000	2011 £'000
Operating profit	22,135	18,223
Depreciation	11,760	12,015
Amortisation of negative goodwill	(40)	(40)
Impairment of investments	7	-
Profit on disposal of tangible fixed assets and investments	(140)	(60)
Amortisation of government grant	(507)	(742)
Adjustment for pension funding	(365)	(358)
Increase in debtors	(310)	(289)
Increase in creditors	1,432	102
Net cash inflow from operating activities	33,972	28,851

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £'000	2011 £'000
Directors		
Emoluments for qualifying services	732	643
Aggregate of emoluments (excluding pension contributions) of the highest paid director	502	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	18,476	17,121
Social security costs	1,614	1,433
Other pension costs	1,290	1,209
	21,380	19,763

The average number of persons, including directors, employed during the year was

	No.	No.
Port operations	442	438
Administration and general	59	59
	501	497

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Bank loans and overdrafts wholly repayable within five years	4,747	5,083
Finance costs of redeemable shares	-	384
Amortisation of capitalised finance costs	500	500
Interest payable	5,247	5,967
Finance (income)/costs associated with defined benefit pension scheme	(696)	307
	4,551	6,274

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
Current tax charge for the year (see below)		
- UK corporation tax on profits in the year	5,848	4,837
- adjustment in respect of prior years	(400)	(270)
Total current tax	5,448	4,567
Deferred tax		
- timing differences, origination and reversal	(316)	(297)
- impact of increase in tax rate	(452)	(474)
- adjustment in respect of prior years	21	46
- non-actuarial timing differences re FRS17*	240	13
Tax on profit on ordinary activities	4,941	3,855

* Financial Reporting Standard 17 'Retirement Benefits'

Factors affecting tax charge for the year

Profit on ordinary activities before taxation	17,615	11,971
Tax at 25.5% (2011 27.5%) thereon	4,492	3,292
Effects of		
- non-taxable income and expenses not deductible for tax purposes	1,037	1,229
- timing differences relating to fixed assets	319	332
- movement in short-term timing differences	-	(16)
Adjustment in respect of prior years	(400)	(270)
Current tax charge for the year (see above)	5,448	4,567

Factors that may affect the future tax charge

In the budget on 21 March 2012 the government announced that legislation will be introduced in the Finance Bill 2012 to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012. 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 25.5%. The government has also indicated that it intends to enact further reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. Future rate reductions would further reduce the deferred tax balances recognised but the actual impact will be dependent on the deferred tax position at the time.

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 £18,636,000 (2011 £21,790,000). 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 £571,000 (2011 £618,000).

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

8. DIVIDENDS

	2012 £'000	2011 £'000
Equity shares		
Interim paid, £7,528 per ordinary share (2011 £5,269)	1,257	880
Final proposed, £nil per ordinary share (2011 £nil)	-	-
	<u>1,257</u>	<u>880</u>

9. INTANGIBLE FIXED ASSETS

Group	Harbour Revision Order £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 July 2011	5,600	(709)	4,891
Additions	563	-	563
At 30 June 2012	<u>6,163</u>	<u>(709)</u>	<u>5,454</u>
Amortisation			
At 1 July 2011	-	(440)	(440)
Written back in year	-	(40)	(40)
At 30 June 2012	<u>-</u>	<u>(480)</u>	<u>(480)</u>
Net book value			
At 30 June 2012	<u>6,163</u>	<u>(229)</u>	<u>5,934</u>
At 30 June 2011	<u>5,600</u>	<u>(269)</u>	<u>5,331</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 2012

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 2011	56,937	171,093	209,384	437,414
Additions	27	2,065	6,874	8,966
Disposals	-	-	(2,418)	(2,418)
Revaluation	(2,977)	-	-	(2,977)
At 30 June 2012	53,987	173,158	213,840	440,985
Depreciation				
At 1 July 2011	-	28,737	116,637	145,374
Charge for the year	-	2,075	9,685	11,760
Disposals	-	-	(2,346)	(2,346)
At 30 June 2012	-	30,812	123,976	154,788
Net book value				
At 30 June 2012	53,987	142,346	89,864	286,197
At 30 June 2011	56,937	142,356	92,747	292,040

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 2012	6,876	109,333	213,840	330,049
Accumulated historical depreciation	-	(30,812)	(123,976)	(154,788)
Net book value				
At 30 June 2012	6,876	78,521	89,864	175,261
At 30 June 2011	6,849	78,531	92,747	178,127

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

10. TANGIBLE FIXED ASSETS (continued)

The cost of tangible fixed assets includes £279,000 (2011 £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 2012 by Hartnell Taylor Cook LLP, Chartered Surveyors. The total valuation was £53,987,000 (2011 £56,937,000). The long 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 (2011 £111,516,000) relating to long leasehold land which is not depreciated.

Company	Plant and equipment £'000
Cost or valuation	
At 1 July 2011	265
Additions	44
At 30 June 2012	309
Depreciation	
At 1 July 2011	234
Charge for the year	16
At 30 June 2012	250
Net book value	
At 30 June 2012	59
At 30 June 2011	31

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

11. INVESTMENTS

Group	Other investments £'000
Cost	
At 1 July 2011	3,494
Additions	196
At 30 June 2012	3,690
Provisions for impairment	
At 1 July 2011	285
Charge in year	7
At 30 June 2012	292
Net book value	
At 30 June 2012	3,398
At 30 June 2011	3,209

Company	Shares in subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost			
At 1 July 2011	50,064	3,494	53,558
Additions	-	196	196
At 30 June 2012	50,064	3,690	53,754
Provisions for impairment			
At 1 July 2011	-	285	285
Charge in year	-	7	7
At 30 June 2012	-	292	292
Net book value			
At 30 June 2012	50,064	3,398	53,462
At 30 June 2011	50,064	3,209	53,273

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

11. 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 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 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	53%	Pension fund trustee
The Bristol Bulk Company Limited *	England and Wales	Ordinary shares	40%	Dormant
Crestcredit Projects Limited *	England and Wales	Ordinary shares	53%	Estate management
Bristol and Gloucester Pilot Boat Company Limited *	England and Wales	Ordinary shares	53%	Dormant
Agricultural Bulk Services (Bristol) Limited *	England and Wales	Ordinary shares	53%	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 (2011 £145,000) which are quoted on the London Stock Exchange. The market value of these shares at 30 June 2012 was £160,000 (2011 £188,000)

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

12. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Trade debtors	5,018	4,390	-	-
Amounts owed by group companies	-	-	32,259	30,929
Other debtors	416	393	276	259
Prepayments and accrued income	1,378	1,719	-	-
	<u>6,812</u>	<u>6,502</u>	<u>32,535</u>	<u>31,188</u>

All debtors fall due within one year

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Loans (note 15)	2,102	2,102	1,877	1,877
Trade creditors	2,553	2,351	-	-
Amounts owed to subsidiary undertakings	-	-	10	10
Current corporation tax	4,373	4,192	-	44
Other taxes and social security costs	1,041	1,023	14	13
Other creditors	1,587	1,147	-	-
Accruals and deferred income	10,198	8,798	1	3
Dividends	4,010	2,186	-	-
	<u>25,864</u>	<u>21,799</u>	<u>1,902</u>	<u>1,947</u>

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

Group	2012	2011
	£'000	£'000
Loans (note 15)	65,857	73,782
Other creditors	1,027	1,027
Accruals and deferred income (note 16)	6,901	7,408
	<u>73,785</u>	<u>82,217</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

15. BANK LOANS

Group	2012 £'000	2011 £'000
Wholly repayable within five years		
- bank term loan and revolving credit facility	64,000	72,000
- bank loans	4,577	4,802
	<u>68,577</u>	<u>76,802</u>
Included in creditors - amounts falling due within one year (note 13)	(2,102)	(2,102)
Financing cost carried forward	(618)	(918)
	<u></u>	<u></u>
Included in creditors - amounts falling due after more than one year (note 14)	65,857	73,782
	<u></u>	<u></u>
Amounts repayable by instalments		
- within one year	2,102	2,102
- within one to two years	225	225
- within two to five years	64,675	72,675
- after five years	1,575	1,800
	<u>68,577</u>	<u>76,802</u>
Bank loans secured on land and buildings, repayable by instalments		
- by 2013, variable interest rate linked to LIBOR	2,102	2,102
- by 2014, variable interest rate linked to LIBOR	225	225
- by 2015, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	2,025	2,250
	<u>4,577</u>	<u>4,802</u>

The bank revolving credit facility of £64,000,000 (2011 £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 (2011 £64,000,000), have fixed interest payments at an average rate of 4.058% (2011 4.547%) for periods up until June 2016 (2011 June 2015) and have floating interest receipts at LIBOR. The fair value of interest rate swap contracts open at the year-end is a liability of £8,515,000 (2011 a liability of £6,925,000). 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 2012

16. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is

Group	£'000		
Government grant			
At 1 July 2011	8,036		
Release to profit and loss account	(507)		
	<hr/>		
At 30 June 2012	7,529		
	<hr/>		
	2012	2011	
	£'000	£'000	
The government grant balance is analysed as follows			
- due within one year	628	628	
- due after more than one year (note 14)	6,901	7,408	
	<hr/>	<hr/>	
	7,529	8,036	
	<hr/>	<hr/>	

17. PROVISIONS FOR LIABILITIES

Group	£'000		
Deferred taxation			
At 1 July 2011	6,097		
Credit to profit and loss account	(747)		
	<hr/>		
At 30 June 2012	5,350		
	<hr/>		
Analysis of deferred tax balances	2012	2011	
	£'000	£'000	
Capital allowances in excess of depreciation	5,350	6,097	
	<hr/>	<hr/>	

18. SHARE CAPITAL

	2012	2011	
	£	£	
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 2012

19. MOVEMENT IN RESERVES

	Revaluation reserve £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Group				
At 1 July 2011	60,374	15,640	1,158	27,448
Profit for the financial year	-	-	-	5,722
Revaluation in the year	(1,578)	-	-	-
FRS17*				
- movement on actuarial deficit	-	-	-	(4,006)
- movement on deferred tax thereon	-	-	-	905
Amortisation of negative goodwill	-	(398)	-	398
Dividends	-	-	-	(1,257)
At 30 June 2012	58,796	15,242	1,158	29,210

* Financial Reporting Standard 17 'Retirement Benefits'

	Profit and loss account £'000
Company	
At 1 July 2011	83,081
Profit for the financial year	3,308
Dividends	(1,257)
At 30 June 2012	85,132

Of the revaluation reserve, £47,139,000 (2011 £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 £3,308,000 (2011 £2,517,000).

20. MINORITY INTEREST

	£'000
At 1 July 2011	92,245
Minority interest share of other reserves	(4,150)
Minority interest in profit for the financial year	6,952
Dividends paid to the minority during the year	(4,811)
At 30 June 2012	90,236

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

21. CAPITAL COMMITMENTS

Group	2012 £'000	2011 £'000
Contracted for but not provided	1,969	3,083

The company had no capital commitments at 30 June 2012 or at 30 June 2011

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 2012 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 £nil (2011: £6,680,000) and this is reflected in the statement of total recognised gains and losses.

	2012 £'000	2011 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of funded liabilities	72,703	68,005
Fair value of scheme assets	(61,580)	(63,380)
Deficit	11,123	4,625
Related deferred tax asset	(2,670)	(1,203)
Net liability	8,453	3,422

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

Current service cost	837	845
Interest cost	3,754	4,156
Expected return on pension scheme assets	(4,450)	(3,849)
Total	141	1,152
Actual return on scheme assets	(187)	7,453

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

22. PENSION COMMITMENTS (continued)

	2012 £'000	2011 £'000
Changes in amounts recognised in the statement of total recognised gains and losses are as follows:		
Opening cumulative STRGL	(1,448)	(9,904)
Actuarial (losses)/gains	(7,559)	15,955
Minority interest's share of actuarial losses/(gains)	3,553	(7,499)
Closing cumulative STRGL	(5,454)	(1,448)
Changes in the present value of the defined benefit liabilities are as follows:		
Opening defined benefit liability	68,005	77,711
Service cost	837	845
Employee contributions	397	413
Interest cost	3,754	4,156
Actuarial gain from changes to indexation of pensions	-	(6,680)
Other actuarial losses/(gains)	2,922	(5,671)
Benefits paid	(3,212)	(2,769)
Closing defined benefit liability	72,703	68,005
Changes in the fair value of scheme assets are as follows.		
Opening fair value of scheme assets	63,380	57,080
Expected return	4,450	3,849
Actuarial (losses)/gains	(4,637)	3,604
Contributions by employer	1,202	1,203
Contributions by members	397	413
Benefits paid	(3,212)	(2,769)
Closing fair value of scheme assets	61,580	63,380

The group's contributions during the period amounted to £1,202,000 (2011 £1,203,000) 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 2012

22. PENSION COMMITMENTS (continued)

	2012	2011
Fair values of scheme assets as a percentage of total scheme assets are as follows:		
Equities	45%	46%
Gilts and bonds	23%	21%
Hedge funds	31%	32%
Cash and other	2%	1%
Disclosure of principal assumptions:		
Discount rate at 30 June	4.50%	5.60%
Expected return on scheme assets at 30 June	6.84%	7.11%
Future salary increases	2.60%	3.60%
Rates of increase to pensions in payment		
Accrued before 6 April 1997	1.70%	2.70%
Accrued after 5 April 1997, before April 2005	1.70%	2.70%
Accrued after April 2005	2.50%	2.50%
Age at retirement	63	63
Mortality	S1N	S1N
Projection	CMI 2009	CMI 2009
Loading	Nil	Nil

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

	2012	2011
Equities	8.00%	8.00%
Absolute return funds	8.00%	8.00%
Corporate bonds	4.40%	5.60%
Index linked bonds	2.70%	4.00%
Cash and other	0.50%	0.50%

Historical pension scheme information

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Present value of funded liabilities	72,703	68,005	77,711	68,389	64,280
Fair value of scheme assets	(61,580)	(63,380)	(57,080)	(51,658)	(57,621)
Deficit	11,123	4,625	20,631	16,731	6,659
Experience adjustments on scheme liabilities	(1,053)	989	(874)	(1,543)	4,572
Experience adjustments on scheme assets	(4,637)	3,604	2,979	(8,781)	(2,672)

The group also operates a defined contribution pension scheme. Contributions to the scheme for the year amounted to £453,000 (2011: £361,000). 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 2012

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2011 £'000	Cash flow £'000	Other non-cash changes £'000	At 30 June 2012 £'000
Cash at bank and in hand	3,318	2,435	-	5,753
Debt due within one year	(2,102)	225	(225)	(2,102)
Debt due after one year	(73,782)	8,000	(75)	(65,857)
	<u>(72,566)</u>	<u>10,660</u>	<u>(300)</u>	<u>(62,206)</u>

24 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £'000	2011 £'000
Increase in cash in the year	2,435	516
Draw down of term loan and revolving credit facilities	(2,500)	-
Cash outflow from decrease in loan and lease financing	10,725	225
Cash outflow on redemption of Redeemable Shares	-	8,500
Other non-cash changes	(300)	(300)
Movement in net debt in the year	<u>10,360</u>	<u>8,941</u>
Net debt at 1 July	<u>(72,566)</u>	<u>(81,507)</u>
Net debt at 30 June	<u>(62,206)</u>	<u>(72,566)</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 PNPF is an industry-wide defined benefit scheme, with members being both employed and self-employed. As at 31 December 2004, the date of the most recent triennial valuation carried out by an independent actuary, the scheme had assets with a market value of £339 million, representing 76% of the benefits accruing to members after allowing for future increases. A more recent independent valuation is not available, but various estimates put the current deficit at around £200 million.

The trustees of the PNPF asked the High Court to clarify their powers to change the pension scheme rules in order to seek additional contributions from CHAs to contribute to the deficit, including where those CHAs only have self-employed pilots, as in the case with FCS. The High Court's judgment was that the trustees did have such powers of amendment. That judgment was subject to an appeal, which was withdrawn during the year. However, a cross-appeal remains and, although the time limit allowed by the court for the cross-appeal to be re-activated expired subsequent to the year end, a new party has sought the permission of the court to join the proceedings and take over the cross-appeal.

The nature of any possible rule changes relating to the funding of the deficit 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 £510,108 (2011 £442,998) from both First Corporate Consultants Limited and David Ord Limited during the year. As at the year-end an amount of £282,802 (2011 £214,631) 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.