

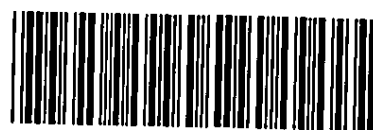
Company Registered Number 2155845

FIRST CORPORATE CONSULTANTS LIMITED

Report and Consolidated Financial Statements

30 June 2009

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FIRST CORPORATE CONSULTANTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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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

AUDITORS

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 2009

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 and 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 and the company's activities in the next year.

GOING CONCERN

The company was profitable in the year. The directors have considered forecast profit and associated cashflows 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 can operate within the facilities available for the period of the cashflow forecast.

In July 2009, the group refinanced its existing Bank of Ireland facilities with a new £100 million revolving five-year credit facility through The Royal Bank of Scotland plc. The new facility continues to ensure that sufficient funds are available for the group's ongoing operations.

RESULTS AND DIVIDENDS

The directors are pleased to report another satisfactory year's trading. The financial key performance indicators monitored by the directors are shown below.

	2009 £'000	2008 £'000
Turnover	77,583	78,611
Operating profit	20,972	21,116
Profit on ordinary activities before taxation	16,729	17,019
Profit on ordinary activities after taxation	11,628	12,383
Profit on ordinary activities after taxation & minority interest	5,108	4,653
Net cash inflow from operating activities	33,482	34,124
Capital expenditure	14,485	13,877

The group's results are broadly in-line with the prior year with turnover decreasing by 1% and profit before tax decreasing by 2%. Cash inflow from operating activities was in-line with the prior year. Main items of capital expenditure were those in relation to the Deep Sea Container Terminal, refurbishment of two pairs of lockgates, completion of a new warehouse in Avonmouth and four new reachstackers for the Portbury container yard.

An interim dividend of £2,795,000 (2008: £1,240,000) was paid during the year and a dividend of £nil (2008: £1,140,000) 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 July 2008, the group submitted a Harbour Revision Order and Environmental Statement for the development of a deep sea container terminal on the Avonmouth foreshore. Further details are given in note 10

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 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 2009. The total valuation was £56,937,000 (2008: £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 £5,608 (2008: £4,900) and political donations of £16,600 (2008: £20,200). Recipients of political donations were Conservative Party £15,000 (2008: £20,000), South Gloucestershire Conservatives £1,600 (2008: £nil) and I Want a Referendum £nil (2008: £200).

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

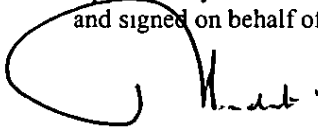
A resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

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 auditors are 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 auditors are 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

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

A handwritten signature in black ink, appearing to be 'T C Mordaunt', written over a large, loopy circular flourish.

T C Mordaunt
Director
2 October 2009

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 company and of the profit or loss of the company 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 AUDITORS' 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 2009 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 28. 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 sections 495 and 496 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 auditors' 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 auditors

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 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 (APB'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.

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 2009 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.

David Hedditch

David Hedditch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom
2 October 2009

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2009

	Note	2009 £'000	2008 £'000
TURNOVER	2	77,583	78,611
Cost of sales		(43,694)	(44,757)
GROSS PROFIT		33,889	33,854
Administration expenses		(13,240)	(13,089)
		20,649	20,765
Other operating income	3	323	351
OPERATING PROFIT	4	20,972	21,116
Investment income		8	10
Interest receivable and similar income		212	272
Interest payable and similar charges	6	(4,463)	(4,379)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,729	17,019
Tax on profit on ordinary activities	7	(5,101)	(4,636)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		11,628	12,383
Minority interest	21	(6,520)	(7,730)
PROFIT AFTER MINORITY INTEREST	20	5,108	4,653

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 2009

	Note	2009 £'000	2008 £'000
Profit for the financial year		5,108	4,653
Actuarial (loss)/gain relating to the pension scheme	23	(5,395)	1,007
UK deferred tax attributable to actuarial gain		1,511	(468)
Total recognised gains relating to the year		<u>1,224</u>	<u>5,192</u>

CONSOLIDATED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

For the year ended 30 June 2009

Group	£'000
At 1 July 2008	108,860
Total recognised gains relating to the year per the consolidated statement of total recognised gains and losses	1,224
Dividends	(2,795)
At 30 June 2009	<u>107,289</u>

CONSOLIDATED BALANCE SHEET
At 30 June 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	9		(349)		(389)
Tangible assets	10		310,346		309,184
Investments	11		3,167		1,903
			<u>313,164</u>		<u>310,698</u>
CURRENT ASSETS					
Debtors	12	7,694		8,677	
Cash at bank and in hand	24	9,721		8,472	
		<u>17,415</u>		<u>17,149</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(27,624)</u>		<u>(28,681)</u>	
NET CURRENT LIABILITIES			<u>(10,209)</u>		<u>(11,532)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			302,955		299,166
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14		(81,385)		(82,363)
PROVISIONS FOR LIABILITIES	18		<u>(7,022)</u>		<u>(6,892)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			214,548		209,911
NET PENSION LIABILITY	23		<u>(12,046)</u>		<u>(4,794)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>202,502</u>		<u>205,117</u>
CAPITAL AND RESERVES					
Called up share capital	19		-		-
Revaluation reserve	20		60,374		60,374
Capital reserve	20		11,930		12,327
Other reserve	20		1,158		1,158
Profit and loss account	20		33,827		35,001
Total equity shareholders' funds			<u>107,289</u>		<u>108,860</u>
Minority interest	21		95,213		96,257
SHAREHOLDERS' FUNDS			<u>202,502</u>		<u>205,117</u>

These financial statements were approved by the Board of Directors on 2 October 2009

Signed on behalf of the Board of Directors

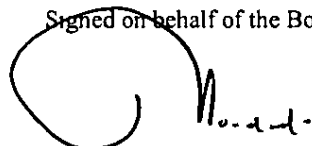

T C Mordaunt
 Director

COMPANY BALANCE SHEET
At 30 June 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	10		110		168
Investments	11		53,232		51,967
			<u>53,342</u>		<u>52,135</u>
CURRENT ASSETS					
Debtors	12	30,653		32,531	
Cash at bank and in hand		581		82	
		<u>31,234</u>		<u>32,613</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(2,175)</u>		<u>(1,952)</u>	
NET CURRENT LIABILITIES			29,059		30,661
NET ASSETS			<u>82,401</u>		<u>82,796</u>
CAPITAL AND RESERVES					
Called up share capital	19		-		-
Profit and loss account	20		82,401		82,796
SHAREHOLDERS' FUNDS			<u>82,401</u>		<u>82,796</u>

These financial statements were approved by the Board of Directors on 2 October 2009

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 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	4		33,482		34,124
Returns on investments and servicing of finance					
Investment income		8		10	
Interest received		212		272	
Interest paid		(3,618)		(4,035)	
Preference dividends paid		(514)		(514)	
Interest element of finance lease rental payments		(57)		(60)	
Subsidiary dividends paid to minority interest		(5,823)		(4,120)	
Net cash outflow from returns on investments and servicing of finance			(9,792)		(8,447)
Taxation					
UK corporation tax paid			(4,253)		(5,004)
Capital expenditure					
Payments to acquire tangible fixed assets		(14,485)		(13,877)	
Receipts from sales of tangible fixed assets		675		1,021	
Purchase of financial investments		(1,549)		(1,248)	
Net cash outflow from capital expenditure			(15,359)		(14,104)
Equity dividends paid			(3,935)		(2,740)
Management of liquid resources					
Disposal of equities		-		180	
			-		180
Cash inflow before financing			143		4,009
Financing					
Debt due within one year - repayment of secured loan		(225)		(825)	
Debt due after one year - drawdown of loan		1,349		1,128	
Capital element of finance lease rental payments		(18)		(15)	
			1,106		288
	24		1,249		4,297

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

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 year, 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.

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.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

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 20). 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.

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 would be immaterial.

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.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

Capital 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.

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 SSAP 19 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.

Investments

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

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.

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.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

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.

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.

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 2009

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	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Turnover	73,488	74,890	4,095	3,721	77,583	78,611
Operating profit	16,982	17,549	3,990	3,567	20,972	21,116
Investment income					8	10
Net interest					(4,251)	(4,107)
Profit on ordinary activities before taxation					16,729	17,019

3. OTHER OPERATING INCOME

	2009 £'000	2008 £'000
Profit on sale of fixed assets	224	100
Sale of investments	-	35
Sale of materials	25	1
Alteration to lease terms and conditions	-	215
Insurance claim	72	-
Sundry operating income	2	-
	323	351

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

4. OPERATING PROFIT

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

	2009 £'000	2008 £'000
Depreciation of owned fixed assets	12,390	12,108
Depreciation of assets held under finance leases	27	27
Amortisation of negative goodwill	(40)	(40)
Profit on disposal of tangible fixed assets and investments	(296)	(134)
Amortisation of Government grant	(750)	(770)
Auditors' remuneration		
- company audit fee	1	1
- group audit fee (including company audit fee)	55	59
- payments for non-audit services (taxation)	127	102

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

	2009 £'000	2008 £'000
Operating profit	20,972	21,116
Depreciation	12,417	12,135
Amortisation of negative goodwill	(40)	(40)
Impairment of investments	285	-
Profit on disposal of tangible fixed assets and investments	(296)	(134)
Adjustment for pension funding	(340)	(342)
Decrease/(increase) in debtors	983	(1,071)
(Decrease)/increase in creditors	(499)	2,460
Net cash inflow from operating activities	33,482	34,124

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2009 £'000	2008 £'000
Directors		
Emoluments for qualifying services	196	161
Pension contributions in respect of director's personal defined contribution pension scheme	-	-
	No.	No.
Number of directors who are members of a personal defined contribution pension scheme	1	1

There are no share options or long-term incentive schemes. Messrs D C Ord and M A Skelton received no remuneration for their services as directors of the company. Both are directors of First Corporate Shipping Limited and their remuneration is dealt with in the financial statements of that company. It is not practicable to allocate their remuneration between their services as directors to companies within the group.

Staff costs	£'000	£'000
Wages and salaries	21,178	21,649
Social security costs	1,769	1,900
Other pension costs	1,290	1,155
	24,237	24,704
The average number of persons employed by the group during the year was	No.	No.
Port operations	520	533
Administration and general	61	61
	581	594

The only employee of the company is the director whose emoluments are disclosed above.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £'000	2008 £'000
Bank loans and overdrafts wholly repayable within five years	3,659	4,065
Finance charges payable under finance leases	57	60
Finance costs of redeemable shares	514	514
Interest payable	4,230	4,639
Finance costs/(income) associated with defined benefit pension scheme	233	(260)
	<u>4,463</u>	<u>4,379</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
Current tax charge for the year (see below)		
- UK corporation tax on profits in the year	5,717	5,589
- adjustment in respect of prior years	(776)	(1,190)
Total current tax	<u>4,941</u>	<u>4,399</u>
Deferred tax		
- timing differences, origination and reversal	(6)	742
- impact of increase in tax rate	136	(38)
- adjustment in respect of prior years	-	(467)
- non-actuarial timing differences re FRS17*	30	-
Tax on profit on ordinary activities	<u>5,101</u>	<u>4,636</u>

* Financial Reporting Standard 17 'Retirement Benefits'

Factors affecting tax charge for the year

Profit on ordinary activities before taxation	<u>16,729</u>	<u>17,019</u>
Tax at 28% (2008 29.5%) thereon	4,684	5,021
Effects of		
- non-taxable income and expenses not deductible for tax purposes	217	240
- capital allowances less than/(in excess of) depreciation	855	134
- movement in short-term timing differences	(39)	45
- capital gains	-	149
Adjustment in respect of prior years	(776)	(1,190)
Current tax charge for the year (see above)	<u>4,941</u>	<u>4,399</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

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 £24,070,000 (2008 £25,051,000)

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 the 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 £666,000 (2008 £666,000)

8. DIVIDENDS

	2009 £'000	2008 £'000
Equity shares		
Interim paid, £16,737 per ordinary share (2008 £2,514)	2,795	1,240
Final proposed, nil per ordinary share (2008 £8,982)	-	1,140
	<u>2,795</u>	<u>2,380</u>

9. INTANGIBLE FIXED ASSETS

Group	Negative goodwill £'000
Cost	
At 1 July 2008 and at 30 June 2009	<u>(709)</u>
Amortisation	
At 1 July 2008	(320)
Written back in year	(40)
At 30 June 2009	<u>(360)</u>
Net Book Value	
At 30 June 2009	<u>(349)</u>
At 30 June 2008	<u>(389)</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

10. TANGIBLE FIXED ASSETS

Group	Long leasehold investment properties £'000	Long leasehold land and buildings £'000	Plant and Equipment £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation					
At 1 July 2008	56,937	165,273	193,898	3,696	419,804
Assets brought into use	-	2,396	-	(2,396)	-
Additions	-	1,196	9,998	2,764	13,958
Disposals	-	-	(1,577)	-	(1,577)
At 30 June 2009	56,937	168,865	202,319	4,064	432,185
Depreciation					
At 1 July 2008	-	22,342	88,278	-	110,620
Charge for the year	-	2,086	10,331	-	12,417
Disposals	-	-	(1,198)	-	(1,198)
At 30 June 2009	-	24,428	97,411	-	121,839
Net book value					
At 30 June 2009	56,937	144,437	104,908	4,064	310,346
At 30 June 2008	56,937	142,931	105,620	3,696	309,184

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	Assets in the course of construction £'000	Total £'000
Historical cost					
At 30 June 2009	6,849	105,040	202,319	4,064	318,272
Accumulated historical depreciation	-	(24,428)	(97,411)	-	(121,839)
Net book value					
At 30 June 2009	6,849	80,612	104,908	4,064	196,433
At 30 June 2008	6,849	79,106	105,620	3,696	195,271

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

Group	2009 £'000	2008 £'000
Leasehold land and buildings	59	86

The finance lease secured on these assets was settled in full subsequent to the year end

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

10. TANGIBLE FIXED ASSETS (continued)

The cost of tangible fixed assets includes £279,000 (2008 £279,000) for the cumulative cost of interest paid in respect of 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 2009. The total valuation was £56,937,000 (2008 £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. 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' (FRS 15), 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.

Included in 'Assets in the course of construction' are costs of £4,064,000 (2008 £1,300,000) relating to the preparation and submission of an application for a Harbour Revision Order and related Environmental Statement for development of a deep sea container terminal on the Avonmouth foreshore. The application was submitted in July 2008 and a public inquiry, scheduled for January 2009, was avoided as all objections were addressed. The application is under consideration by the Secretary of State and the directors are confident of a positive outcome.

Company	Plant and equipment £'000
Cost or valuation	
At 1 July 2008 and at 30 June 2009	234
Depreciation	
At 1 July 2008	66
Charge for the year	58
At 30 June 2009	124
Net book value	
At 30 June 2009	110
At 30 June 2008	168

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

11. INVESTMENTS

Group	Other investments £'000
Cost	
At 1 July 2008	1,903
Additions	1,549
At 30 June 2009	3,452
Provisions for impairment	
Charge for the year and at 30 June 2009	285
Net book value	
At 30 June 2009	3,167
At 30 June 2008	1,903

Company	Shares in subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost			
At 1 July 2008	50,064	1,903	51,967
Additions	-	1,550	1,550
At 30 June 2009	50,064	3,453	53,517
Provisions for impairment			
Charge for the year and at 30 June 2009	-	285	285
Net book value			
At 30 June 2009	50,064	3,168	53,232
At 30 June 2008	50,064	1,903	51,967

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 2009

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
Proudagent Enterprises Limited *	England and Wales	Ordinary shares	100%	Dormant
Revelmade Projects Limited *	England and Wales	Ordinary shares	100%	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%	Warehousing and delivery of agricultural feed products
First Corporate Management Limited	England and Wales	Ordinary shares	50%	Dormant
First Corporate Software Limited *	England and Wales	Ordinary shares	100%	Dormant
First Corporate IT 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 £139,000 (2008 £139,000) which are quoted on the London Stock Exchange. The market value of these shares at 30 June 2009 was £152,000 (2008 £199,000)

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

12. DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Trade debtors	5,538	5,768	-	-
Amounts due from group companies	-	-	30,432	32,325
Other debtors	261	463	221	206
Prepayments and accrued income	1,895	2,446	-	-
	<u>7,694</u>	<u>8,677</u>	<u>30,653</u>	<u>32,531</u>

All debtors fall due within one year

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Loans (note 15)	2,102	753	1,877	528
Obligations under finance leases (note 16)	20	18	-	-
Trade creditors	1,910	2,412	-	-
Amounts owed to subsidiary undertakings	-	-	10	10
Current corporation tax	4,875	4,187	53	56
Other taxes and social security costs	1,098	751	10	10
Other creditors	3,805	3,932	1	-
Accruals and deferred income	11,464	11,434	224	208
Dividends	2,350	5,194	-	1,140
	<u>27,624</u>	<u>28,681</u>	<u>2,175</u>	<u>1,952</u>

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

Group	2009	2008
	£'000	£'000
Loans (note 15)	63,650	63,875
Debt component of share capital	8,500	8,500
Obligations under finance leases (note 16)	475	495
Accruals and deferred income	8,760	9,493
	<u>81,385</u>	<u>82,363</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

15. BANK LOANS

Group	2009 £'000	2008 £'000
Wholly repayable within five years		
- bank term loan and revolving credit facility	60,500	60,500
- bank loans	5,252	4,128
	<hr/> 65,752	<hr/> 64,628
Included in creditors - amounts falling due within one year (note 13)	(2,102)	(753)
	<hr/> (2,102)	<hr/> (753)
Included in creditors - amounts falling due after more than one year (note 14)	63,650	63,875
	<hr/> 63,650	<hr/> 63,875
Amounts repayable by instalments		
- within one year	2,102	753
- within one to two years	225	225
- within two to five years	60,950	61,175
- after five years	2,475	2,475
	<hr/> 65,752	<hr/> 64,628
Bank loans secured on land and buildings, repayable by instalments		
- by 2010, variable interest rate linked to LIBOR	2,102	753
- by 2011, variable interest rate linked to LIBOR	225	225
- by 2012, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	2,700	2,925
	<hr/> 5,252	<hr/> 4,128

The bank term loan and revolving credit facility of £60,500,000 (2008 £60,500,000) are secured by a first legal mortgage on certain properties and by a floating charge on all other assets. The bank loans are secured on certain charged properties. The group has made use of interest rate swaps to fix interest rates on certain loans. The fair value of interest rate swap contracts open at the year-end is a liability of £3,941,000 (2008 an asset of £1,846,000). Borrowings not covered by interest rate swap contracts are subject to variable interest rates linked to LIBOR.

Subsequent to the year end the bank term loan and revolving credit facility were repaid in full and refinanced by a £100 million revolving five-year facility with The Royal Bank of Scotland plc.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

16. OBLIGATIONS UNDER FINANCE LEASES

The maturity of amounts due under finance leases is as follows

Group	2009 £'000	2008 £'000
Amounts repayable by instalments		
- within one year	77	77
- within one to two years	77	77
- within two to five years	230	230
- after five years	555	612
	<hr/> 939	<hr/> 996
Less finance charges allocated to future periods	(444)	(483)
	<hr/> 495	<hr/> 513
Finance leases are analysed as follows		
- due within one year (note 13)	20	18
- due after more than one year (note 14)	475	495
	<hr/> 495	<hr/> 513

Finance leases are secured on the related assets and are not wholly repayable within five years. Subsequent to the year end, the finance leases were settled in full.

17. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is

Group	£'000	
Government grant		
At 1 July 2008	10,253	
Release to profit and loss account	(750)	
	<hr/> 9,503	
At 30 June 2009		
	<hr/> 2009 £'000	<hr/> 2008 £'000
The government grant balance is analysed as follows		
- due within one year (note 13)	742	760
- due after more than one year (note 14)	8,761	9,493
	<hr/> 9,503	<hr/> 10,253

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

18. PROVISION FOR LIABILITIES

Group	£'000	
Deferred taxation		
At 1 July 2008	6,892	
Charge to profit and loss account	130	
At 30 June 2009	7,022	
Analysis of deferred tax balances	2009	2008
	£'000	£'000
Capital allowances in excess of depreciation	7,022	6,934
Short-term timing differences	-	(42)
Provision for deferred tax	7,022	6,892

19. SHARE CAPITAL

	2009 £	2008 £
Authorised		
200 Ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
167 Ordinary shares of £1 each	167	167

20. MOVEMENT IN RESERVES

Group	Revaluation reserve £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
At 1 July 2008	60,374	12,327	1,158	35,001
Profit for the year	-	-	-	5,108
FRS17*				
- movement on actuarial deficit	-	-	-	(5,395)
- movement on deferred tax thereon	-	-	-	1,511
Amortisation of negative goodwill	-	(397)	-	397
Dividends	-	-	-	(2,795)
At 30 June 2009	60,374	11,930	1,158	33,827

* Financial Reporting Standard 17 'Retirement Benefits'

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

20. MOVEMENT IN RESERVES (continued)

	Profit and loss account £'000
Company	
At 1 July 2008	82,796
Profit for the year	2,400
Dividends	(2,795)
At 30 June 2009	<u>82,401</u>

Of the revaluation reserve, £50,089,000 (2008 £50,089,000) is attributable to investment properties

21. MINORITY INTERESTS

	£'000
At 1 July 2008	96,257
Minority interest share of other reserves	(3,445)
Minority interest in profit for the financial year	6,520
Dividends paid to the minority during the year	(4,119)
At 30 June 2009	<u>95,213</u>

22. CAPITAL COMMITMENTS

Group	2009 £'000	2008 £'000
Contracted for but not provided	<u>1,805</u>	<u>4,402</u>

The company had no capital commitments at 30 June 2009 or at 30 June 2008

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

23. 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. 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. No other post-retirement benefits are provided.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 30 June 2007 and updated to 30 June 2009 by a qualified independent actuary.

	2009 £'000	2008 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of funded liabilities	68,389	64,280
Fair value of scheme assets	(51,658)	(57,621)
Deficit	16,731	6,659
Related deferred tax asset	(4,685)	(1,865)
Net liability	12,046	4,794
 The amounts recognised in the profit and loss account are as follows:		
Current service cost	860	855
Interest cost	4,132	3,776
Expected return on pension scheme assets	(3,899)	(4,036)
Total	1,093	595
 Actual return on scheme assets	(4,881)	1,364
 Changes in amounts recognised in the statement of total recognised gains and losses are as follows:		
Opening cumulative STRGL	(2,505)	(3,512)
Actuarial (losses)/gains	(10,179)	1,900
Minority interest's share of actuarial (gains)/losses	1,340	(893)
Closing cumulative STRGL	(11,344)	(2,505)

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

23. PENSION COMMITMENTS (continued)

	2009 £'000	2008 £'000
Changes in the present value of the defined benefit liabilities are as follows:		
Opening defined benefit liability	64,280	66,265
Service cost	860	855
Employee contributions	484	561
Interest cost	4,132	3,776
Actuarial losses/(gains)	1,398	(4,572)
Benefits paid	(2,765)	(2,605)
Closing defined benefit liability	68,389	64,280
Changes in the fair value of scheme assets are as follows:		
Opening fair value of scheme assets	57,621	57,104
Expected return	3,899	4,036
Actuarial losses	(8,781)	(2,672)
Contributions by employer	1,200	1,197
Contributions by members	484	561
Benefits paid	(2,765)	(2,605)
Closing fair value of scheme assets	51,658	57,621

The group's contributions during the period amounted to £1,200,000 (2008 £1,197,000) and the agreed group contribution rate for the coming year is £1,200,000

	2009	2008
Fair values of scheme assets as a percentage of total scheme assets are as follows:		
Equities	32%	39%
Gilts and bonds	21%	22%
Hedge funds	37%	38%
Cash and other	10%	1%

Disclosure of principal assumptions:		
Discount rate at 30 June	6.00%	6.50%
Expected return on scheme assets at 30 June	6.61%	6.83%
Future salary increases	3.40%	4.00%
Rates of increase to pensions in payment		
Accrued before 6 April 1997	3.40%	4.00%
Accrued after 5 April 1997 before April 2005	3.40%	4.00%
Accrued after April 2005	2.50%	2.50%
Proportion of employees opting for early retirement	50%	50%
Mortality	PXA00MC	PXA00MC
Projection	Birth Year	Birth Year
Loading	5%	5%

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

23. PENSION COMMITMENTS (continued)

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

	2009	2008
Equities	8.00%	7.75%
Absolute return funds	8.00%	7.00%
Corporate bonds	6.00%	5.00%
Index linked bonds	4.00%	5.00%
Cash and other	1.00%	5.25%

Historical pension scheme information

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Present value of funded liabilities	68,389	64,280	66,265	65,311	61,286
Fair value of scheme assets	(51,658)	(57,621)	(57,104)	(51,855)	(44,604)
Deficit	16,731	6,659	9,161	13,456	16,682
Experience adjustments on scheme liabilities	(1,543)	4,572	2,828	(565)	(5,651)
Experience adjustments on scheme assets	(8,781)	(2,672)	1,377	3,468	1,838

The group also operates a defined contribution pension scheme. Contributions to the scheme for the year amounted to £430,000 (2008: £325,000). 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.

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2008 £'000	Cash flow £'000	Other non-cash changes £'000	At 30 June 2009 £'000
Cash at bank and in hand	8,472	1,249	-	9,721
Debt due within one year	(753)	(1,124)	(225)	(2,102)
Debt due after one year	(63,875)	-	225	(63,650)
Debt component of share capital	(8,500)	-	-	(8,500)
Finance leases	(513)	18	-	(495)
	<u>(65,169)</u>	<u>143</u>	<u>-</u>	<u>(65,026)</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

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

	2009 £'000	2008 £'000
Increase in cash in the year	1,249	4,297
Draw down of term loan and revolving credit facilities	(1,349)	(1,128)
Cash outflow from decrease in loan and lease financing	243	840
Other non-cash changes	-	(3)
	<hr/>	<hr/>
Movement in net debt in the period	143	4,006
Net debt at 1 July 2008	(65,169)	(69,175)
	<hr/>	<hr/>
Net debt at 30 June 2009	(65,026)	(65,169)

26. CONTINGENT LIABILITY

The main trading subsidiary of the company, First Corporate Shipping Limited, is the Competent Harbour Authority for the Port of Bristol. In common with other Competent Harbour Authorities, First Corporate Shipping Limited has been made aware of a significant deficit on the Pilots' National Pension Fund. The trustees of the Pilots' National Pension Fund have claimed that the company is liable for a share of this deficit, a claim which is disputed by its directors. Litigation is ongoing, the outcome of which is uncertain.

27. 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 £477,600 (2008 £451,958) to both First Corporate Consultants Limited and David Ord Limited during the year. As at the year-end an amount of £254,328 (2008 £242,150) was owing to 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.

MITIE Cleaning (South West) Limited and Eagle Pest Control Services Limited are controlled by MITIE Group plc of which Mr D C Ord was Chairman up until 31 July 2008. During July 2008 payments of £12,357 (year ended 30 June 2008 £152,438) were made to MITIE Cleaning (South West) Limited for the provision of cleaning services. During July 2008 payments of £6,989 (year ended 30 June 2008 £11,463) were made to Eagle Pest Control Services UK Limited for the provision of pest control services. As at 30 June 2008 no balance was owed by the group to either of these entities.

28. ULTIMATE CONTROLLING PARTY

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