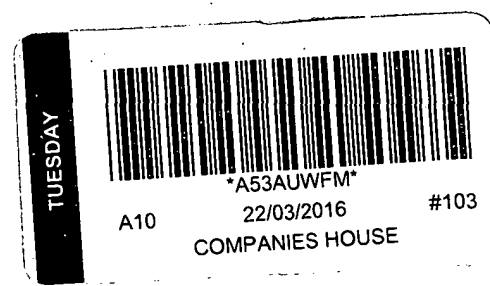


**Company Registered Number 02155845**

**FIRST CORPORATE CONSULTANTS LIMITED**

**Report and Consolidated Financial Statements**

**30 June 2015**



# **FIRST CORPORATE CONSULTANTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2015**

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# **FIRST CORPORATE CONSULTANTS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

T C Mordaunt  
D C Ord

### **REGISTERED OFFICE**

52 Bedford Row  
London  
WC1R 4LR

### **SOLICITORS**

Wedlake Bell LLP  
52 Bedford Row  
London  
WC1R 4LR

### **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  
Chartered Accountants and Statutory Auditor  
Bristol  
United Kingdom

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **STRATEGIC REPORT**

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006. This strategic report has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to First Corporate Consultants Limited and its subsidiary undertakings (the “group”) when viewed as a whole.

### **REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS**

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

	<b>2015</b>	<b>2014</b>
	<b>£’000</b>	<b>£’000</b>
Turnover	82,329	81,998
Operating profit	23,198	22,719
Profit on ordinary activities before taxation	20,251	18,930
Profit on ordinary activities after taxation	15,589	13,668
Profit on ordinary activities after taxation and minority interest	7,248	6,238
Net cash inflow from operating activities	34,436	28,631

Turnover increased on the prior year as a result of continued strong coal volumes for most of the year and increased car volumes. Increases were seen across most of the group’s revenue lines. Cost of sales has been maintained at a similar level to the prior year and administrative expenses have risen by 6%. Operating profit has increased by 2% to £23,198,000. Cash inflow from operating activities was £34,436,000; of this £9,570,000 was used for capital expenditure (2014: £10,235,000). Through the year, a net total of £3,500,000 was repaid against the RBS facility, leaving a balance of £50,000,000 at the end of the financial year.

An interim dividend of £3,210,000 (2014: £2,050,000) was paid during the year and no dividend (2014: £nil) has been declared 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.

### **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.

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **STRATEGIC REPORT (continued)**

#### **POST BALANCE SHEET EVENT**

On 4 August 2015 the main subsidiary of the company acquired the freehold interest in the land comprised within three 150 year leases which were granted to it by Bristol City Council in 1991. The consideration paid was £10,000,000.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The group faces a range of risks and uncertainties. The list below is not intended to be exhaustive and focuses on those specific risks and uncertainties that the directors believe could have a significant impact on the group's performance.

##### *Market conditions and competitive pressures*

Competitive pressure in the UK is a continuing risk for the group, 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.

##### *Property*

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.

##### *Finance*

The group is financed through internally generated cash, term loans, mortgages and revolving credit. The group endeavours to limit the risk from fluctuating interest rates by fixing the majority of its loan interest exposure. The group has put in place banking facilities which are sufficient for its needs.

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



**T C Mordaunt**  
Director  
23 October 2015

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2015.

### **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 strategic report. Further in the strategic 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.

### **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. The group maintains a safety system which 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, and updated by the directors as at 30 June 2015. The total valuation was £53,987,000 (2014: £53,987,000). 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.

#### **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 £184,172 (2014: £436,967) and political donations to the Conservative Party of £25,500 (2014: £10,000).

#### **DIRECTORS**

The directors during the year and subsequently were as follows:

T C Mordaunt  
D C Ord

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

## **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', with a large, stylized initial 'M'.

**T C Mordaunt**  
Director  
23 October 2015



## **FIRST CORPORATE CONSULTANTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of First Corporate Consultants Limited for the year ended 30 June 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

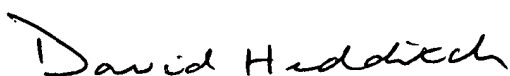
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and 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 (Senior statutory auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Bristol, United Kingdom  
23 October 2015

**FIRST CORPORATE CONSULTANTS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
For the year ended 30 June 2015

	Note	2015 £'000	2014 £'000
<b>TURNOVER</b>	2	82,329	81,998
Cost of sales		(45,422)	(46,062)
<b>GROSS PROFIT</b>		36,907	35,936
Administration expenses		(14,064)	(13,331)
		22,843	22,605
Other operating income	3	355	114
<b>OPERATING PROFIT</b>	4	23,198	22,719
Investment income		24	27
Interest receivable and similar income	6	1,241	1,017
Interest payable and similar charges	6	(4,212)	(4,833)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		20,251	18,930
Tax on profit on ordinary activities	7	(4,662)	(5,262)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		15,589	13,668
Minority interest	20	(8,341)	(7,430)
<b>PROFIT AFTER MINORITY INTEREST</b>	19	7,248	6,238

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 2015**

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Profit for the financial year		7,248	6,238
Actuarial (losses)/gains relating to the pension scheme	22	(122)	257
UK deferred tax attributable to actuarial losses/(gains)	22	23	(50)
Total recognised gains and losses relating to the year		<u>7,149</u>	<u>6,445</u>

## **CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS** **For the year ended 30 June 2015**

	<b>Note</b>	<b>£'000</b>
At 1 July 2014		106,113
Total recognised gains and losses relating to the year		7,149
Dividends	8	(3,210)
At 30 June 2015		<u>110,052</u>

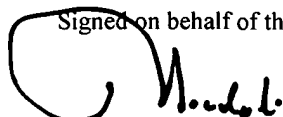
# FIRST CORPORATE CONSULTANTS LIMITED

## CONSOLIDATED BALANCE SHEET At 30 June 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	9		6,248		6,207
Tangible assets	10		278,871		282,080
Investments	11		5,030		4,784
			<u>290,149</u>		<u>293,071</u>
<b>CURRENT ASSETS</b>					
Debtors	12	9,102		11,718	
Cash at bank and in hand	23	7,026		5,633	
		<u>16,128</u>		<u>17,351</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(22,783)		(28,498)	
<b>NET CURRENT LIABILITIES</b>			<u>(6,655)</u>		<u>(11,147)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			283,494		281,924
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14		(58,206)		(62,420)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(3,972)</u>		<u>(4,014)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			221,316		215,490
<b>NET PENSION LIABILITY</b>	22		<u>(20,725)</u>		<u>(21,750)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>200,591</u>		<u>193,740</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	18		-		-
Revaluation reserve	19		58,796		58,796
Capital reserve	19		14,050		14,447
Other reserve	19		1,158		1,158
Profit and loss account	19		36,048		31,712
Total equity shareholders' funds			<u>110,052</u>		<u>106,113</u>
Minority interest	20		90,539		87,627
<b>SHAREHOLDERS' FUNDS</b>			<u>200,591</u>		<u>193,740</u>

The financial statements of First Corporate Consultants Limited, registered number 02155845, were approved by the Board of Directors and authorised for issue on 23 October 2015.

Signed on behalf of the Board of Directors



**T C Mordaunt**  
Director

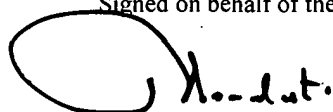
# FIRST CORPORATE CONSULTANTS LIMITED

## COMPANY BALANCE SHEET At 30 June 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	10		17		33
Investments	11		55,094		54,848
			<u>55,111</u>		<u>54,881</u>
<b>CURRENT ASSETS</b>					
Debtors	12	32,796		33,244	
Cash at bank and in hand		2,595		3,559	
		<u>35,391</u>		<u>36,803</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(65)</u>		<u>(1,902)</u>	
<b>NET CURRENT ASSETS</b>			35,326		34,901
<b>NET ASSETS</b>			<u>90,437</u>		<u>89,782</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	18		-		-
Profit and loss account	19		90,437		89,782
<b>SHAREHOLDERS' FUNDS</b>			<u>90,437</u>		<u>89,782</u>

The financial statements of First Corporate Consultants Limited, registered number 02155845, were approved by the Board of Directors and authorised for issue on 23 October 2015.

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 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	4		34,436		28,631
<b>Returns on investments and servicing of finance</b>					
Investment income		24		27	
Interest received		23		16	
Interest paid		(3,902)		(4,463)	
Subsidiary dividends paid to minority interest		(5,514)		(6,318)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(9,369)		(10,738)
<b>Taxation</b>					
UK corporation tax paid			(5,382)		(3,225)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(9,569)		(10,227)	
Receipts from sales of tangible fixed assets		277		251	
Payments to acquire intangible fixed assets		(1)		(8)	
<b>Net cash outflow from capital expenditure</b>			(9,293)		(9,984)
<b>Equity dividends paid</b>			(3,210)		(2,050)
<b>Management of liquid resources</b>					
Purchase of equities		(411)		(1,066)	
Disposal of equities		224		24	
<b>Net cash outflow from management of liquid resources</b>			(187)		(1,042)
<b>Cash inflow before financing</b>			6,995		1,592
<b>Financing</b>					
Debt due within one year - repayment of secured loan		(2,102)		(225)	
Debt due after one year - drawdown of loan		3,500		7,000	
Debt due after one year - repayment of secured loan		(7,000)		(8,500)	
<b>Net cash outflow from financing</b>			(5,602)		(1,725)
<b>Increase/(decrease) in cash in the year</b>	23, 24		1,393		(133)

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2015**

#### **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 financial statements consolidate the financial statements 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 financial statements 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.

##### **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.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2015**

**1. ACCOUNTING POLICIES (continued)**

**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.

**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 financial statements. 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.

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2015**

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

##### **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.

##### **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.

## **FIRST CORPORATE CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2015**

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

##### **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 charges or income 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.

The Pilots' National Pension Fund ("PNPF") is a centralised defined benefit multi-employer scheme for non-associated employers. The group accounts for its share in the PNPF in accordance with the accounting for a defined benefit scheme as described above. In the prior year (the first period of defined benefit accounting for the PNPF), the initial recognition of the group's share of the deficit was included within cost of sales.

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.

##### **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.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Turnover	76,103	75,318	6,226	6,680	82,329	81,998
Operating profit excluding share of PNPF deficit	17,102	16,343	6,096	6,376	23,198	22,719
Investment income					24	27
Net interest					(2,971)	(3,816)
Profit before taxation excluding share of PNPF deficit					20,251	18,930

### 3. OTHER OPERATING INCOME

	2015 £'000	2014 £'000
Profit on sale of fixed assets and investments	316	69
Sale of materials	19	29
Sundry operating income	20	16
	355	114

### 4. OPERATING PROFIT

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

	2015 £'000	2014 £'000
Depreciation of owned fixed assets	11,883	11,619
Amortisation of negative goodwill	(40)	(40)
Profit on disposal of tangible fixed assets and investments	(316)	(69)
Amortisation of government grant	(507)	(507)
Fees payable to the company's auditor:		
- for the audit of the company's annual financial statements	2	2
- for the audit of the company's subsidiaries pursuant to legislation	54	54
- total audit fees	56	56
- tax services	51	48

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 4. OPERATING PROFIT (continued)

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

	2015 £'000	2014 £'000
Operating profit	23,198	22,719
Depreciation	11,883	11,619
Amortisation of negative goodwill	(40)	(40)
Impairment of investments	25	(4)
Profit on disposal of tangible fixed assets and investments	(316)	(69)
Amortisation of government grant	(507)	(507)
Adjustment for pension funding	(504)	(306)
Decrease/(increase) in debtors	2,616	(4,399)
Decrease in creditors	(1,919)	(382)
<b>Net cash inflow from operating activities</b>	<b>34,436</b>	<b>28,631</b>

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015 £'000	2014 £'000
<b>Directors</b>		
Emoluments for qualifying services	725	702
Aggregate of emoluments (excluding pension contributions) of the highest paid director	541	529

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

	£'000	£'000
<b>Staff costs, including directors</b>		
Wages and salaries	21,658	21,425
Social security costs	1,961	1,932
Other pension costs	2,132	1,797
	<b>25,751</b>	<b>25,154</b>

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

	No.	No.
Port operations	520	494
Administration and general	61	59
	<b>581</b>	<b>553</b>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
<b>Interest receivable and similar income:</b>		
Interest receivable	23	16
Finance income associated with defined benefit pension schemes	1,218	1,001
	<u>1,241</u>	<u>1,017</u>
<b>Interest payable and similar charges:</b>		
Bank loans and overdrafts wholly repayable within five years	3,673	3,931
Amortisation of capitalised finance costs	258	540
	<u>3,931</u>	<u>4,471</u>
Interest payable	281	362
Finance charges associated with defined benefit pension schemes		
	<u>4,212</u>	<u>4,833</u>

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £'000	2014 £'000
<b>Current tax charge for the year (see below):</b>		
- UK corporation tax on profits in the year	5,043	5,585
- adjustment in respect of prior years	(571)	(218)
	<u>4,472</u>	<u>5,367</u>
<b>Total current tax</b>		
<b>Deferred tax:</b>		
- timing differences, origination and reversal	(43)	(168)
- impact of change in tax rate	1	(606)
- adjustment in respect of prior years	-	(17)
- non-actuarial timing differences re FRS17*	232	686
	<u>4,662</u>	<u>5,262</u>
<b>Tax on profit on ordinary activities</b>		

\* Financial Reporting Standard 17 'Retirement Benefits'.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

#### Factors affecting tax charge for the year

Profit on ordinary activities before taxation	20,251	18,930
Tax at 20.75% (2014: 22.5%) thereon	4,202	4,259
Effects of:		
- non-taxable income and expenses not deductible for tax purposes	828	1,153
- timing differences relating to fixed assets	35	112
- indexation on gains	(14)	-
- utilisation of tax losses	(8)	61
Adjustment in respect of prior years	(571)	(218)
Current tax charge for the year (see above)	4,472	5,367

#### Factors that may affect the future tax charge

The Finance Act 2013 reduced the main rate of corporation tax from 21% to 20% from 1 April 2015. 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 20.75%. 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 tax that would become payable in these circumstances is £15,002,000 (2014: £15,118,000). 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 tax that would become payable in these circumstances is £476,000 (2014: £476,000).

### 8. DIVIDENDS

	2015 £'000	2014 £'000
Equity shares		
Interim paid, £19,222 per ordinary share (2014: £12,275)	3,210	2,050
Final declared, £nil per ordinary share (2014: £nil)	-	-
	3,210	2,050

**FIRST CORPORATE CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2015

**9. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Harbour Revision Order £'000</b>	<b>Negative goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 July 2014	6,356	(709)	5,647
Additions	1	-	1
At 30 June 2015	6,357	(709)	5,648
<b>Amortisation</b>			
At 1 July 2014	-	(560)	(560)
Written back in year	-	(40)	(40)
At 30 June 2015	-	(600)	(600)
<b>Net book value</b>			
At 30 June 2015	6,357	(109)	6,248
At 30 June 2014	6,356	(149)	6,207

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 2015

### 10. TANGIBLE FIXED ASSETS

Group	Long leasehold investment properties £'000	Long leasehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 July 2014	53,987	176,381	227,168	457,536
Additions	-	460	8,259	8,719
Disposals	-	-	(2,542)	(2,542)
At 30 June 2015	53,987	176,841	232,885	463,713
<b>Depreciation</b>				
At 1 July 2014	-	34,893	140,563	175,456
Charge for the year	-	2,175	9,708	11,883
Disposals	-	-	(2,497)	(2,497)
At 30 June 2015	-	37,068	147,774	184,842
<b>Net book value</b>				
At 30 June 2015	53,987	139,773	85,111	278,871
At 30 June 2014	53,987	141,488	86,605	282,080

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
<b>Historical cost</b>				
At 30 June 2015	6,876	113,016	232,885	352,777
Accumulated historical depreciation	-	(37,068)	(147,774)	(184,842)
<b>Net book value</b>				
At 30 June 2015	6,876	75,948	85,111	167,935
At 30 June 2014	6,876	77,663	86,605	171,144

## FIRST CORPORATE CONSULTANTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

#### 10. TANGIBLE FIXED ASSETS (continued)

The cost of tangible fixed assets includes £279,000 (2014: £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, and updated by the directors as at 30 June 2015. The total valuation was £53,987,000 (2014: £53,987,000). 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 financial statements. This revaluation relates to the land value only. Long leasehold land and buildings includes an amount of £111,516,000 (2014: £111,516,000) relating to long leasehold land which is not depreciated.

Company	Plant and equipment £'000
<b>Cost or valuation</b>	
At 1 July 2014	218
Disposals	(138)
	<hr/>
At 30 June 2015	80
	<hr/>
<b>Depreciation</b>	
At 1 July 2014	185
Charge for the year	16
Disposals	(138)
	<hr/>
At 30 June 2015	63
	<hr/>
<b>Net book value</b>	
At 30 June 2015	17
	<hr/>
At 30 June 2014	33
	<hr/>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 11. INVESTMENTS

<b>Group</b>	<b>Other investments £'000</b>
<b>Cost</b>	
At 1 July 2014	4,867
Additions	411
Disposals	(140)
	<hr/>
At 30 June 2015	5,138
	<hr/>
<b>Provisions for impairment</b>	
At 1 July 2014	83
Charge in year	25
	<hr/>
At 30 June 2015	108
	<hr/>
<b>Net book value</b>	
At 30 June 2015	5,030
	<hr/>
At 30 June 2014	4,784
	<hr/>

<b>Company</b>	<b>Shares in subsidiary undertakings £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 July 2014	50,064	4,867	54,931
Additions	-	411	411
Disposals	-	(140)	(140)
	<hr/>	<hr/>	<hr/>
At 30 June 2015	50,064	5,138	55,202
	<hr/>	<hr/>	<hr/>
<b>Provisions for impairment</b>			
At 1 July 2014	-	83	83
Charge in year	-	25	25
	<hr/>	<hr/>	<hr/>
At 30 June 2015	-	108	108
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 2015	50,064	5,030	55,094
	<hr/>	<hr/>	<hr/>
At 30 June 2014	50,064	4,784	54,848
	<hr/>	<hr/>	<hr/>

## FIRST CORPORATE CONSULTANTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

#### 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
Bristol Oil and Gas 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 total cost of £232,000 (2014: £132,000) and £113,000 (2014: £13,000) which are quoted on the London Stock Exchange and New York Stock Exchange, respectively. The market value of these shares at 30 June 2015 was £267,000 (2014: £142,000) and £97,000 (2014: £25,000), respectively.

**FIRST CORPORATE CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2015**

**12. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	6,763	7,403	-	7
Amounts owed by group companies	-	-	32,220	32,664
Other debtors	1,128	1,243	576	573
Prepayments and accrued income	1,211	3,072	-	-
	<u>9,102</u>	<u>11,718</u>	<u>32,796</u>	<u>33,244</u>

All debtors fall due within one year.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Loans (note 15)	225	2,102	-	1,877
Trade creditors	2,298	4,054	-	-
Amounts owed to subsidiary undertakings	-	-	10	10
Current corporation tax	3,390	4,300	40	-
Other taxes and social security costs	1,269	874	15	15
Other creditors	1,958	1,761	-	-
Accruals and deferred income	9,324	10,918	-	-
Dividends	4,319	4,489	-	-
	<u>22,783</u>	<u>28,498</u>	<u>65</u>	<u>1,902</u>

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

<b>Group</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Loans (note 15)	51,800	55,507
Other creditors	1,027	1,027
Accruals and deferred income (note 16)	5,379	5,886
	<u>58,206</u>	<u>62,420</u>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 15. BANK LOANS

Group	2015 £'000	2014 £'000
Wholly repayable within five years:		
- bank term loan and revolving credit facility	50,000	53,500
- bank loans	2,025	4,127
	<hr/> 52,025	<hr/> 57,627
Included in creditors - amounts falling due within one year (note 13)	(225)	(2,102)
Financing cost carried forward	-	(18)
	<hr/>	<hr/>
Included in creditors - amounts falling due after more than one year (note 14)	51,800	55,507
	<hr/>	<hr/>
Amounts repayable by instalments:		
- within one year	225	2,102
- within one to two years	225	225
- within two to five years	50,675	54,175
- after five years	900	1,125
	<hr/> 52,025	<hr/> 57,627
	<hr/>	<hr/>
Bank loans secured on land and buildings, repayable by instalments:		
- by 2016, variable interest rate linked to LIBOR	225	2,102
- by 2017, variable interest rate linked to LIBOR	225	225
- by 2018, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	1,350	1,575
	<hr/> 2,025	<hr/> 4,127
	<hr/>	<hr/>

The bank term loan and revolving credit facility, of which £50,000,000 (2014: £53,500,000) was drawn at the year-end, 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 £50,000,000 (2014: £50,000,000), have fixed interest payments at an average rate of 4.100% (2014: 4.100%) for periods up until June 2018 (2014: June 2018) and have floating interest receipts at LIBOR. The fair value of interest rate swap contracts open at the year-end is a liability of £4,339,000 (2014: a liability of £4,437,000). 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 2015

### 16. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is:

Group	£'000		
<b>Government grant</b>			
At 1 July 2014	6,393		
Release to profit and loss account	(507)		
	<hr/>		
At 30 June 2015	5,886		
	<hr/>		
	<b>2015</b>	<b>2014</b>	
	<b>£'000</b>	<b>£'000</b>	
The government grant balance is analysed as follows:			
- due within one year	507	507	
- due after more than one year (note 14)	5,379	5,886	
	<hr/>	<hr/>	
	5,886	6,393	
	<hr/>	<hr/>	

### 17. PROVISIONS FOR LIABILITIES

Group	£'000		
<b>Deferred taxation</b>			
At 1 July 2014	4,014		
Credit to profit and loss account	(42)		
	<hr/>		
At 30 June 2015	3,972		
	<hr/>		
<b>Analysis of deferred tax balances</b>	<b>2015</b>	<b>2014</b>	
	<b>£'000</b>	<b>£'000</b>	
Capital allowances in excess of depreciation	3,972	4,014	
	<hr/>	<hr/>	

### 18. SHARE CAPITAL

	2015	2014
	£	£
<b>Authorised</b>		
200 Ordinary shares of £1 each	200	200
<b>Allotted, called-up and fully paid</b>		
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 2015

### 19. MOVEMENT IN RESERVES

	Revaluation reserve £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
<b>Group</b>				
At 1 July 2014	58,796	14,447	1,158	31,712
Profit for the financial year	-	-	-	7,248
FRS17*:				
- movement on actuarial deficit	-	-	-	(122)
- movement on deferred tax thereon	-	-	-	23
Amortisation of negative goodwill	-	(397)	-	397
Dividends	-	-	-	(3,210)
At 30 June 2015	58,796	14,050	1,158	36,048

\* Financial Reporting Standard 17 'Retirement Benefits'.

	Profit and loss account £'000
<b>Company</b>	
At 1 July 2014	89,782
Profit for the financial year	3,865
Dividends	(3,210)
At 30 June 2015	90,437

Of the revaluation reserve, £47,139,000 (2014: £47,139,000) 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 £3,865,000 (2014: £6,144,000).

### 20. MINORITY INTEREST

	£'000
At 1 July 2014	87,627
Minority interest share of other reserves	(87)
Minority interest in profit for the year	8,341
Dividends paid to the minority during the year	(5,342)
At 30 June 2015	90,539



# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 21. CAPITAL COMMITMENTS

Group	2015 £'000	2014 £'000
Contracted for but not provided	2,327	1,897

The company had no capital commitments at 30 June 2015 or at 30 June 2014.

### 22. PENSION COMMITMENTS

#### a) Bristol Port Pension Scheme

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 2013 and updated to 30 June 2015 by a qualified independent actuary.

	2015 £'000	2014 £'000
<b>The amounts recognised in the balance sheet are as follows:</b>		
Present value of funded liabilities	90,524	88,001
Fair value of scheme assets	(75,855)	(72,945)
Deficit	14,669	15,056
Related deferred tax asset	(2,934)	(3,011)
<b>Net liability</b>	<b>11,735</b>	<b>12,045</b>

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

Current service cost	1,257	1,193
Interest cost	3,539	3,777
Expected return on pension scheme assets	(4,757)	(4,778)
<b>Total</b>	<b>39</b>	<b>192</b>

<b>Actual return on scheme assets</b>	<b>5,073</b>	<b>5,904</b>
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# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 22. PENSION COMMITMENTS (continued)

	2015 £'000	2014 £'000
<b>Changes in amounts recognised in the statement of total recognised gains and losses are as follows:</b>		
Opening cumulative STRGL	(8,705)	(8,702)
Actuarial losses	(774)	(5)
Minority interest's share of actuarial losses	364	2
<b>Closing cumulative STRGL</b>	<b>(9,115)</b>	<b>(8,705)</b>
 <b>Changes in the present value of the defined benefit liabilities are as follows:</b>		
Opening defined benefit liability	88,001	84,771
Service cost	1,257	1,193
Employee contributions	336	358
Interest cost	3,539	3,777
Other actuarial losses	1,090	1,131
Benefits paid	(3,699)	(3,229)
<b>Closing defined benefit liability</b>	<b>90,524</b>	<b>88,001</b>
 <b>Changes in the fair value of scheme assets are as follows:</b>		
Opening fair value of scheme assets	72,945	68,712
Expected return	4,757	4,778
Actuarial gains	316	1,126
Contributions by employer	1,200	1,200
Contributions by members	336	358
Benefits paid	(3,699)	(3,229)
<b>Closing fair value of scheme assets</b>	<b>75,855</b>	<b>72,945</b>

The group's contributions during the period amounted to £1,200,000 (2014: £1,200,000) 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 2015

### 22. PENSION COMMITMENTS (continued)

	2015	2014
<b>Fair values of scheme assets as a percentage of total scheme assets are as follows:</b>		
Equities	47%	48%
Gilts and bonds	21%	20%
Hedge funds	31%	30%
Cash and other	1%	2%

<b>Disclosure of principal assumptions:</b>		
Discount rate at 30 June	3.60%	4.10%
Expected return on scheme assets at 30 June	6.10%	6.54%
Future salary increases	2.10%	2.40%
Rates of increase to pensions in payment		
Accrued before 6 April 1997	2.10%	2.40%
Accrued after 5 April 1997, before April 2005	2.10%	2.40%
Accrued after April 2005	2.10%	2.40%
Age at retirement	63	63
Mortality	S1P	S1P
Projection	CMI 2013	CMI 2013
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:

	2015	2014
Equities	7.00%	7.50%
Absolute return funds	7.00%	7.50%
Corporate bonds	3.60%	4.10%
Index linked bonds	2.70%	3.30%
Cash and other	0.50%	0.50%

	2015	2014
<b>Weighted average life expectancy to determine benefit obligations:</b>		
Male life expectancy		
Retiring at age 65 now	22.1 years	21.8 years
Retiring at age 65 in 20 years	24.3 years	23.5 years
Female life expectancy		
Retiring at age 65 now	24.1 years	23.7 years
Retiring at age 65 in 20 years	26.4 years	25.6 years

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 22. PENSION COMMITMENTS (continued)

#### Historical pension scheme information

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of funded liabilities	90,524	88,001	84,771	72,703	68,005
Fair value of scheme assets	(75,855)	(72,945)	(68,712)	(61,580)	(63,380)
Deficit	14,669	15,056	16,059	11,123	4,625
Experience adjustments on scheme liabilities	924	(1,360)	(168)	(1,053)	989
Experience adjustments on scheme assets	316	1,126	4,428	4,637	3,604

The group also operates a defined contribution pension scheme. 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. Contributions to the scheme for the year amounted to £875,000 (2014: £604,000) and no amounts were outstanding at the year-end (2014: £nil).

#### b) Pilots' National Pension Fund ("PNPF")

The PNPF is a centralised multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime pilots. The trustee of the PNPF has sought the guidance of the High Court on a number of issues relating to its powers under the rules of the PNPF, including who is liable to contribute. Following the court's judgment and further information being made available on the extent of the PNPF's liabilities, the group is now able to determine its share of the liabilities in respect of the PNPF.

The last formal actuarial valuation of the PNPF was completed as at 31 December 2010. The results of these calculations have been updated to 30 June 2015 by a qualified independent actuary.

	2015 £'000	2014 £'000
<b>The amounts recognised in the balance sheet are as follows:</b>		
Present value of funded liabilities	22,939	22,826
Fair value of scheme assets	(14,156)	(13,219)
Deficit	8,783	9,607
Related deferred tax liability	207	98
<b>Net liability</b>	<b>8,990</b>	<b>9,705</b>

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

Current service cost	132	184
Past service cost	(115)	-
Interest cost	918	960
Expected return on pension scheme assets	(637)	(598)
<b>Total</b>	<b>298</b>	<b>546</b>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 22. PENSION COMMITMENTS (continued)

	2015 £'000	2014 £'000
<b>Actual return on scheme assets</b>	<u>1,367</u>	<u>1,026</u>
<b>Changes in amounts recognised in the statement of total recognised gains and losses are as follows:</b>		
Opening cumulative STRGL	259	-
Actuarial gains	544	489
Minority interest's share of actuarial losses	(256)	(230)
<b>Closing cumulative STRGL</b>	<u>547</u>	<u>259</u>
<b>Changes in the present value of the defined benefit liabilities are as follows:</b>		
Opening defined benefit liability	22,826	22,745
Service cost	132	184
Employee contributions	340	289
Interest cost	918	960
Past service cost	(115)	-
Other actuarial losses/(gains)	186	(61)
Benefits paid	(1,348)	(1,291)
<b>Closing defined benefit liability</b>	<u>22,939</u>	<u>22,826</u>
<b>Changes in the fair value of scheme assets are as follows:</b>		
Opening fair value of scheme assets	13,219	12,712
Expected return	637	598
Actuarial gains	730	428
Contributions by employer	578	483
Contributions by members	340	289
Benefits paid	(1,348)	(1,291)
<b>Closing fair value of scheme assets</b>	<u>14,156</u>	<u>13,219</u>

The group's contributions during the period amounted to £578,000 (2014: £483,000) and the agreed group contribution rate for the coming year is £653,000.

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 22. PENSION COMMITMENTS (continued)

	2015	2014
<b>Fair values of scheme assets as a percentage of total scheme assets are as follows:</b>		
'Growth' assets		
Global equities	15%	16%
Fund of hedge funds	17%	17%
Diversified growth funds	16%	16%
'Matching' assets		
Corporate bonds	39%	39%
Gilts	10%	10%
Cash and other	3%	2%
	<hr/>	<hr/>
<b>Target asset allocation:</b>		
'Growth' assets	50%	50%
'Matching' assets	50%	50%
	<hr/>	<hr/>

The assumed expected long-term rate of return for PNPF assets as at 30 June 2015 is based on the PNPF's current asset allocation and the yields currently available in the appropriate investment markets; these are shown below:

	2015	2014
Global equities	6.50%	7.20%
Fund of hedge funds	5.50%	6.20%
Diversified growth funds	5.50%	6.20%
Corporate bonds	3.50%	4.10%
Gilts	2.50%	3.30%
Cash and other	0.80%	0.90%
	<hr/>	<hr/>

#### Disclosure of principal assumptions:

Discount rate at 30 June	3.50%	4.10%
Expected return on scheme assets at 30 June	4.40%	4.90%
Future salary increases	3.60%	3.80%
Rates of increase to pensions in deferment		
Minimum 3% pa	3.00%	3.00%
Accrued after 5 April 1997, before April 2005	2.10%	2.40%
Rates of increase to pensions in payment		
Maximum 5% pa, minimum 0% pa	3.00%	3.20%
Maximum 5% pa, minimum 3% pa	3.60%	3.70%
Mortality	95% S1NA	95% S1NA
Projection	CMI2013	CMI2013
	+1.25%	+1.25%
	<hr/>	<hr/>

# FIRST CORPORATE CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

### 22. PENSION COMMITMENTS (continued)

	2015	2014
<b>Weighted average life expectancy to determine benefit obligations:</b>		
Male life expectancy		
Retiring at age 65 now	22.4 years	22.6 years
Retiring at age 65 in 20 years	24.1 years	24.4 years
Female life expectancy		
Retiring at age 65 now	24.4 years	25.0 years
Retiring at age 65 in 20 years	26.3 years	27.0 years

### Historical pension scheme information

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of funded liabilities	22,939	22,826	22,745	n/a	n/a
Fair value of scheme assets	(14,156)	(13,219)	(12,712)	n/a	n/a
Deficit	8,783	9,607	10,033	n/a	n/a
Experience adjustments on scheme liabilities	(162)	(227)	n/a	n/a	n/a
Experience adjustments on scheme assets	730	428	n/a	n/a	n/a

### 23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2014 £'000	Cash flow £'000	Other non-cash changes £'000	At 30 June 2015 £'000
Cash at bank and in hand	5,633	1,393	-	7,026
Debt due within one year	(2,102)	2,102	(225)	(225)
Debt due after one year	(55,507)	3,500	207	(51,800)
	(51,976)	6,995	(18)	(44,999)

## FIRST CORPORATE CONSULTANTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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

	2015 £'000	2014 £'000
Increase/(decrease) in cash in the year	1,393	(133)
Draw down of term loan and revolving credit facilities	(3,500)	(7,000)
Cash outflow from decrease in loan and lease financing	9,102	8,725
Other non-cash changes	(18)	(300)
	<hr/>	<hr/>
Movement in net debt in the year	6,977	1,292
Net debt at 1 July	(51,976)	(53,268)
	<hr/>	<hr/>
Net debt at 30 June	(44,999)	(51,976)

#### 25. 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 £552,279 (2014: £542,662) from both First Corporate Consultants Limited and David Ord Limited during the year. As at the year-end an amount of £304,966 (2014: £301,811) 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.

#### 26. ULTIMATE CONTROLLING PARTY

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

#### 27. POST BALANCE SHEET EVENT

On 4 August 2015 the main subsidiary of the company acquired the freehold interest in the land comprised within three 150 year leases which were granted to it by Bristol City Council in 1991. The consideration paid was £10,000,000.