

Company Registered Number 02155845

FIRST CORPORATE CONSULTANTS LIMITED

Annual Report and Consolidated Financial Statements

For the year ended 30 June 2016

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FIRST CORPORATE CONSULTANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

CONTENTS

	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	7
Independent auditor's report	8
Consolidated profit and loss account	9
Consolidated statement of comprehensive income	10
Consolidated balance sheet	11
Consolidated statement of changes in equity	12
Company balance sheet	13
Company statement of changes in equity	14
Consolidated cash flow statement	15
Notes to the financial statements	16

FIRST CORPORATE CONSULTANTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J C Mordaunt
T C Mordaunt
Sir David Ord

SECRETARY

I D Sharper

REGISTERED OFFICE

Level 8
71 Queen Victoria Street
London
EC4V 4AY

SOLICITORS

Wedlake Bell LLP
Level 8
71 Queen Victoria Street
London
EC4V 4AY

PRINCIPAL BANKERS

The Royal Bank of Scotland plc
First Floor
Trinity Quay 1
Avon Street
Bristol
BS2 0PT

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.

	2016 £’000	2015 £’000
Turnover	87,382	82,329
Operating profit	28,322	23,114
Profit on ordinary activities before taxation	24,015	18,369
Profit on ordinary activities after taxation	18,636	14,046
Profit on ordinary activities after taxation and non-controlling interest	8,490	6,108
Net cash inflow from operating activities	34,779	29,054

Turnover increased on the prior year as a result of strong car volumes and increases in most other trades. The notable exception was coal, which has suffered as a result of the government’s energy policy. Cost of sales has reduced slightly from the prior year and administrative expenses have risen by 6%. Operating profit has increased by 23% to £28,322,000. Cash inflow from operating activities was £34,779,000; of this £17,389,000 was used for capital expenditure (2015: £9,570,000) , including the acquisition of the Bristol Port freehold for £10,000,000, plus costs. Through the year, a net total of £15,000,000 was drawn against the RBS facility, leaving a balance of £65,000,000 at the end of the financial year.

An interim dividend of £9,650,000 (2015: £3,210,000) was paid during the year and no dividend (2015: £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 Annual 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. Subsequent to the year end, the group was granted a ten-year extension to the Harbour Revision Order. Further details are given in note 11.

FIRST CORPORATE CONSULTANTS LIMITED

STRATEGIC REPORT (continued)

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's activities expose it to a number of financial risks including credit risk, cash flow risk, liquidity risk and market risk.

a) Credit

The group's principal financial assets are bank balances, trade and other debtors. The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

b) Cash flow

The group's activities expose it primarily to the financial risk of changes in interest rates. In the past, the group endeavoured to limit the risk from fluctuating interest rates by fixing the majority of its loan interest exposure. However, given the prospect of low interest rates continuing, the group is allowing the existing swap to lapse. The group does not use derivative financial instruments for speculative purposes.

c) Liquidity

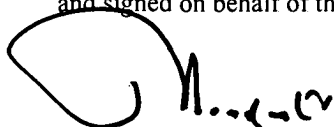
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group is financed through internally generated cash, term loans, mortgages and revolving credit. The group has put in place banking facilities which are sufficient for its needs.

d) Market

The company's investments expose it to market risks of currency risk and other price risk:

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates. The company holds certain investments in currencies other than sterling.
- Price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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



T C Mordaunt
Director
28 April 2017

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2016. Financial risk management objectives and policies, future developments and subsequent events are all discussed in the strategic report.

These financial statements are the group's first to be prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and include adjustments to transition to the new standard. Further details are given in note 28.

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 group strategic report. Further in the group 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.

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 2016. The total valuation was £53,987,000 (2015: £53,987,000). Further details are given in note 12.

EMPLOYEE INVOLVEMENT

The group maintains communications with employees via the Works Council and a weekly newsletter. The group operates a profit related pay scheme for all employees.

Details of the number of employees and related costs can be found in note 7 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

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 £354,666 (2015: £184,172) and political donations to the Conservative Party of £nil (2015: £25,500).

DIRECTORS

The directors during the year and subsequently were as follows:

J C Mordaunt (appointed 7 March 2017)
T C Mordaunt
Sir David 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', is written over a large, loopy, handwritten 'G' or similar symbol.

T C Mordaunt
Director
28 April 2017

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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 29. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2016 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
28 April 2017

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2016

	Note	2016 £'000	2015 £'000
TURNOVER	3	87,382	82,329
Cost of sales		(44,382)	(45,503)
GROSS PROFIT		43,000	36,826
Administration expenses		(14,883)	(14,067)
		28,117	22,759
Other operating income	4	205	355
OPERATING PROFIT		28,322	23,114
Investment income		24	24
Interest receivable and similar income	5	17	23
Interest payable and similar charges	5	(4,348)	(4,792)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	24,015	18,369
Tax on profit on ordinary activities	8	(5,379)	(4,323)
– PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		18,636	14,046
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity shareholders of the company		8,490	6,108
Non-controlling interest		10,146	7,938
		18,636	14,046

All results arise from continuing operations.

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR			18,636		14,046
Remeasurement of net defined benefit liability	25	(7,545)		1,756	
Tax relating to components of other comprehensive income		3,034		(512)	
Other comprehensive income			(4,511)		1,244
TOTAL COMPREHENSIVE INCOME			<u>14,125</u>		<u>15,290</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:					
Equity shareholders of the company			6,346		6,685
Non-controlling interest			<u>7,779</u>		<u>8,605</u>
			<u>14,125</u>		<u>15,290</u>

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED BALANCE SHEET

At 30 June 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	11		6,288		6,248
Tangible assets	12		284,240		278,871
Investments	13		5,528		5,045
			<u>296,056</u>		<u>290,164</u>
CURRENT ASSETS					
Stock	14	1,051		-	
Debtors - due within one year	15	10,011		9,164	
Debtors - due after more than one year	15	4,714		3,874	
Cash at bank and in hand		1,897		7,026	
		<u>17,673</u>		<u>20,064</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	<u>(28,946)</u>		<u>(24,650)</u>	
NET CURRENT LIABILITIES			<u>(11,273)</u>		<u>(4,586)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			284,783		285,578
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		(74,497)		(60,856)
PROVISIONS FOR LIABILITIES	20		<u>(17,021)</u>		<u>(19,693)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			193,265		205,029
NET PENSION LIABILITY	25		<u>(31,312)</u>		<u>(23,452)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>161,953</u>		<u>181,577</u>
CAPITAL AND RESERVES					
Called-up share capital	23		-		-
Revaluation reserve			46,518		44,508
Capital reserve			12,239		12,293
Other reserve			1,021		997
Profit and loss account			20,518		31,053
Total equity shareholders' funds			<u>80,296</u>		<u>88,851</u>
Non-controlling interest			81,657		92,726
TOTAL CAPITAL EMPLOYED			<u>161,953</u>		<u>181,577</u>

The financial statements of First Corporate Consultants Limited, registered number 02155845, were approved by the Board of Directors and authorised for issue on 28 April 2017.

Signed on behalf of the Board of Directors


T C Mordaunt
Director

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 June 2016

	Reval- uation reserve £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000	Total equity £'000	Non-cont- rolling interest £'000	Total capital employed £'000
At 30 June 2014 as previously stated	58,796	14,447	1,158	31,712	106,113	87,627	193,740
Adjustment to non-controlling interest (note 29)	(7,350)	(1,806)	(161)	(2,697)	(12,014)	12,014	-
Changes on transition to FRS 102 (note 28)	(6,843)	-	-	(1,880)	(8,723)	(10,177)	(18,900)
At 1 July 2014 as restated	44,603	12,641	997	27,135	85,376	89,464	174,840
Profit for the financial year	-	-	-	6,108	6,108	7,938	14,046
Remeasurement of net defined benefit liability	-	-	-	815	815	941	1,756
Tax relating to items of other comprehensive income	-	-	-	(238)	(238)	(274)	(512)
Total comprehensive income	-	-	-	6,685	6,685	8,605	15,290
Revaluations (net of deferred tax)	(95)	-	-	95	-	-	-
Amortisation of negative goodwill	-	(348)	-	348	-	-	-
Dividends paid on equity shares	-	-	-	(3,210)	(3,210)	(5,343)	(8,553)
At 30 June 2015	44,508	12,293	997	31,053	88,851	92,726	181,577
Profit for the financial year	-	-	-	8,490	8,490	10,146	18,636
Remeasurement of net defined benefit liability	-	-	-	(3,585)	(3,585)	(3,960)	(7,545)
Tax relating to items of other comprehensive income	-	-	-	1,441	1,441	1,593	3,034
Total comprehensive income	-	-	-	6,346	6,346	7,779	14,125
Buy-back of equity shares (note 13)	-	-	-	-	-	(15,077)	(15,077)
Impact of buy-back on non- controlling interest	1,089	302	24	(6,666)	(5,251)	5,251	-
Revaluations (net of deferred tax)	921	-	-	(921)	-	-	-
Amortisation of negative goodwill	-	(356)	-	356	-	-	-
Dividends paid on equity shares	-	-	-	(9,650)	(9,650)	(9,022)	(18,672)
At 30 June 2016	46,518	12,239	1,021	20,518	80,296	81,657	161,953

Called-up share capital is not included above as there have been no movements in the current or previous periods and the balance would show as nil when rounded to the nearest thousand. However, called-up share capital is shown in the company statement of changes in equity on page 14.

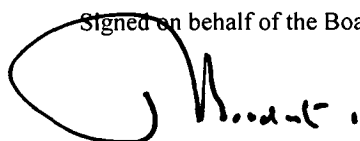
FIRST CORPORATE CONSULTANTS LIMITED

COMPANY BALANCE SHEET At 30 June 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	12		5		17
Investments	13		55,592		55,109
			<u>55,597</u>		<u>55,126</u>
CURRENT ASSETS					
Debtors - due within one year	15	31,484		32,858	
Cash at bank and in hand		<u>1,326</u>		<u>2,595</u>	
		32,810		35,453	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	<u>(76)</u>		<u>(66)</u>	
NET CURRENT ASSETS			32,734		35,387
NET ASSETS			<u>88,331</u>		<u>90,513</u>
CAPITAL AND RESERVES					
Called-up share capital	23		-		-
Revaluation reserve			9		19
Profit and loss account			<u>88,322</u>		<u>90,494</u>
SHAREHOLDERS' FUNDS			<u>88,331</u>		<u>90,513</u>

The financial statements of First Corporate Consultants Limited, registered number 02155845, were approved by the Board of Directors and authorised for issue on 28 April 2017.

Signed on behalf of the Board of Directors



T C Mordaunt
Director

FIRST CORPORATE CONSULTANTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
At 30 June 2016

	Share capital £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total equity £'000
At 30 June 2014 as previously stated	-	-	89,782	89,782
Changes on transition to FRS 102 (note 28)	-	22	58	80
At 1 July 2014 as restated	-	22	89,840	89,862
Profit for the financial year	-	-	3,861	3,861
Total comprehensive income	-	-	3,861	3,861
Revaluations (net of deferred tax)	-	(3)	3	-
Dividends paid on equity shares	-	-	(3,210)	(3,210)
At 30 June 2015	-	19	90,494	90,513
Profit for the financial year	-	-	7,468	7,468
Total comprehensive income	-	-	7,468	7,468
Revaluations (net of deferred tax)	-	(10)	10	-
Dividends paid on equity shares	-	-	(9,650)	(9,650)
At 30 June 2016	-	9	88,322	88,331

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Net cash flows from operating activities		34,779		29,054
Cash flows from investing activities				
Purchase of tangible fixed assets	(17,389)		(9,569)	
Purchase of intangible fixed assets	-		(1)	
Proceeds from sale of tangible fixed assets	187		277	
Interest received	17		23	
Investment income	24		24	
Purchase of investments	(517)		(411)	
Proceeds from sale of investments	-		224	
Net cash flows from investing activities		(17,678)		(9,433)
Cash flows from financing activities				
Dividends paid	(9,650)		(3,210)	
Interest paid	(3,971)		(3,902)	
Repayments of borrowings	(12,725)		(9,102)	
Drawdown of borrowings	27,500		3,500	
Subsidiary dividends paid to non-controlling interest	(8,307)		(5,514)	
Buyback of shares	(15,077)		-	
Net cash flows from financing activities		(22,230)		(18,228)
Net (decrease)/increase in cash and cash equivalents		(5,129)		1,393
Cash and cash equivalents at beginning of year		7,026		5,633
Cash and cash equivalents at end of year		1,897		7,026

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

	2016	2015
	£'000	£'000
Operating profit	28,322	23,114
Depreciation	12,178	11,883
Amortisation of negative goodwill	(40)	(40)
Impairment of investments	24	25
Movement in fair value of investments	10	3
Profit on disposal of tangible fixed assets	(165)	(316)
Amortisation of government grant	(507)	(507)
Adjustment for pension funding	(484)	(504)
Increase in stock and work in progress	(1,051)	-
(Increase)/decrease in debtors	(1,490)	2,616
Increase/(decrease) in creditors	4,545	(1,838)
UK corporation tax paid	(6,563)	(5,382)
Net cash flows from operating activities	34,779	29,054

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

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.

Accounting convention

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The first date at which FRS 102 was applied was 1 July 2014. First Corporate Consultants Limited previously reported under United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). The transition from UK GAAP to FRS 102 is explained further in note 28.

General information and basis of accounting

First Corporate Consultants Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report and directors' report on pages 2 to 6.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102. The functional currency of the group is considered to be pounds sterling because that is the currency of the primary economic environment in which the group operates. Consequently, the financial statements are presented in pounds sterling.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemption has been taken in relation to the presentation of a cash flow statement.

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, which is estimated to be 18 years. Negative goodwill has been 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.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets – research and development

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, development costs are recognised as an intangible fixed asset in accordance with FRS 102 Section 18 and are therefore not treated, for dividend purposes, as a realised loss. Intangible fixed assets are recognised at amortised cost, less any impairment. Amortisation is provided on an asset-by-asset basis over the asset's useful economic life, on a basis to correspond with the consumption of its economic benefits. Intangible fixed assets are not amortised where consumption of economic benefits has not yet commenced.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets other than investment properties and 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 freehold 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

Revaluation of fixed assets

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.

Investment properties

Investment properties are revalued annually by the directors and every five years by a suitably qualified professional. Any aggregate surplus or deficit, which is deemed temporary, is recognised in the profit and loss account and subsequently transferred to the revaluation reserve. Permanent deficits are charged against the profit and loss account. No depreciation is provided in respect of investment properties.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. ACCOUNTING POLICIES (continued)

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow-moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

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. 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. Deferred tax assets and liabilities are offset only where the group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Financial instruments

Financial assets and 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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets and liabilities are only offset in the balance sheet when a legally enforceable right exists to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments are measured at amortised cost using the effective interest method. Debt instruments classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when:

- a. the contractual rights to the cash flows from the financial asset expire or are settled;
- b. the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c. the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Investments

Investments where shares are publicly traded or their fair value is reliably measurable are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) 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. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(v) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

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.

Employee benefits

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 net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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 is presented separately after other net assets on the face of the balance sheet.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. ACCOUNTING POLICIES (continued)

Employee benefits (continued)

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.

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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the rendering of services set out in FRS 102 Section 23 Revenue. The directors are satisfied that the amount of revenue and stage of completion of the services can be reliably measured and that recognition of the revenue in the current year is appropriate.

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of their value in use to the company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Revaluation of assets

Investment properties are classified on the basis of the FRS 102 definition and included at fair value. Management determines fair value by reference to market and considers advice received from an independent valuer who will, in turn, undertake valuations as the directors require (at least every five years) to support the determination of fair value. Further information regarding investment properties is in note 12.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value measurements and valuation processes

Some of the group's assets and liabilities are measured at fair value for financial reporting purposes. The directors determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where market-observable data is not available, the group engages counterparties or third party qualified valuers to perform the valuation.

Employee benefits

The company operates a defined benefit pension scheme and is a participating body in the Pilots National Pension Fund. The value of scheme liabilities has been prepared by the actuary for each scheme based on assumptions agreed with management. The assumptions reflect the unique properties of each scheme where appropriate. See note 25 for further information.

3. 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	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Turnover	78,350	76,103	9,032	6,226	87,382	82,329
Operating profit	19,477	17,018	8,845	6,096	28,322	23,114
Investment income					24	24
Net interest					(4,331)	(4,769)
Profit before taxation					24,015	18,369

4. OTHER OPERATING INCOME

	2016 £'000	2015 £'000
Profit on sale of fixed assets and investments	165	316
Sale of materials	22	19
Sundry operating income	18	20
	205	355

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

5. FINANCE COSTS (NET)

	2016 £'000	2015 £'000
Interest receivable and similar income		
Interest receivable	17	23
Interest payable and similar charges		
Bank loans and overdrafts wholly repayable within five years	3,756	3,673
Amortisation of capitalised finance costs	220	258
Change in fair value of derivative financial instruments	(427)	(98)
Interest payable	3,549	3,833
Finance charges associated with defined benefit pension schemes	799	959
Total interest payable	4,348	4,792

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2016 £'000	2015 £'000
Depreciation of owned fixed assets	12,178	11,883
Amortisation of negative goodwill	(40)	(40)
Profit on disposal of tangible fixed assets and investments	(165)	(316)
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	57	54
- total audit fees	59	56
- tax services	51	51

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

7. INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES

	2016 £'000	2015 £'000
Directors		
Emoluments for qualifying services	677	725
Aggregate of emoluments (excluding pension contributions) of the highest paid director	564	541

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

The directors are the key management personnel of the group and company.

Staff costs, including directors	£'000	£'000
Wages and salaries	21,567	21,649
Social security costs	1,935	1,961
Other pension costs	2,069	2,132
	25,571	25,742

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

	No.	No.
Port operations	514	520
Administration and general	65	61
	579	581

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Note	2016 £'000	2015 £'000
Current tax on profit on ordinary activities			
UK corporation tax on profits in the year		6,083	5,042
Adjustment in respect of prior years		(226)	(571)
		<u>5,857</u>	<u>4,471</u>
Deferred tax			
Timing differences, origination and reversal		2	(154)
Impact of change in tax rate		(396)	6
Adjustment in respect of prior years		(84)	-
		<u>(478)</u>	<u>(148)</u>
Total deferred tax	20		
		<u>(478)</u>	<u>(148)</u>
Tax on profit on ordinary activities		<u>5,379</u>	<u>4,323</u>

Factors affecting tax charge for the year

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	24,015	18,369
Tax at 20% (2015: 20.75%) thereon	4,803	3,812
Effects of:		
- non-taxable income and expenses not deductible for tax purposes	1,222	1,190
- timing differences relating to fixed assets	60	40
- capital gains	(2)	-
Adjustment in respect of prior years	(226)	(571)
Deferred tax movements in the year (see above)	(478)	(148)
	<u>5,379</u>	<u>4,323</u>
Tax on profit on ordinary activities		
	<u>5,379</u>	<u>4,323</u>

Factors that may affect the future tax charge

The Finance Act 2015 reduced the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. As the change in tax rate takes effect after the company's year end, the corporation tax rate applicable for the period was 20%. 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.

9. PROFIT ATTRIBUTABLE TO THE COMPANY

The profit for the financial year dealt with in the financial statements of the parent company was £7,468,000 (2015: £3,861,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

10. DIVIDENDS

	2016 £'000	2015 £'000
Equity shares		
Interim paid, £57,784 per ordinary share (2015: £19,222)	9,650	3,210
Final declared, £nil per ordinary share (2015: £nil)	-	-
	<u>9,650</u>	<u>3,210</u>

11. INTANGIBLE FIXED ASSETS

Group	Harbour Revision Order £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 July 2015	6,357	(709)	5,648
Additions	-	-	-
At 30 June 2016	<u>6,357</u>	<u>(709)</u>	<u>5,648</u>
Amortisation			
At 1 July 2015	-	(600)	(600)
Written back in year	-	(40)	(40)
At 30 June 2016	<u>-</u>	<u>(640)</u>	<u>(640)</u>
Net book value			
At 30 June 2016	<u>6,357</u>	<u>(69)</u>	<u>6,288</u>
At 30 June 2015	<u>6,357</u>	<u>(109)</u>	<u>6,248</u>

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

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12. TANGIBLE FIXED ASSETS

Group	Freehold* investment properties £'000	Freehold* land and buildings £'000	Plant and equipment £'000	Total £'000
Cost or valuation				
At 1 July 2015	53,987	176,841	232,885	463,713
Additions	-	10,998	6,571	17,569
Disposals	-	(5)	(2,364)	(2,369)
At 30 June 2016	53,987	187,834	237,092	478,913
Depreciation				
At 1 July 2015	-	37,068	147,774	184,842
Charge for the year	-	2,155	10,023	12,178
Disposals	-	-	(2,347)	(2,347)
At 30 June 2016	-	39,223	155,450	194,673
Net book value				
At 30 June 2016	53,987	148,611	81,642	284,240
At 30 June 2015	53,987	139,773	85,111	278,871

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

Group	Freehold* investment properties £'000	Freehold* land and buildings £'000	Plant and equipment £'000	Total £'000
Historical cost				
At 30 June 2016	6,876	124,009	237,092	367,977
Accumulated historical depreciation	-	(39,223)	(155,450)	(194,673)
Net book value				
At 30 June 2016	6,876	84,786	81,642	173,304
At 30 June 2015	6,876	75,948	85,111	167,935

* On 4 August 2015, a subsidiary 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. Therefore, assets previously classified as leasehold are now shown as freehold.

The cost of tangible fixed assets includes £279,000 (2015: £279,000) for the cumulative cost of interest paid in respect of the construction of certain assets.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

12. TANGIBLE FIXED ASSETS (continued)

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 2016. The total valuation was £53,987,000 (2015: £53,987,000). The long leasehold land (as it was at the time) 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 land, there is no depreciation effect.

Land and buildings that were revalued prior to the introduction of FRS 15 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.

Company	Plant and equipment £'000
Cost or valuation	
At 1 July 2015 and at 30 June 2016	80
Depreciation	
At 1 July 2015	63
Charge for the year	12
At 30 June 2016	75
Net book value	
At 30 June 2016	5
At 30 June 2015	17

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

13. INVESTMENTS

Group		Listed invest- ments £'000	Other invest- ments £'000	Real estate £'000	Loans £'000	Total £'000
Carrying value before impairment						
At 1 July 2015		364	1,217	3,199	315	5,095
Additions		100	205	112	100	517
Movement in fair value		(10)	-	-	-	(10)
At 30 June 2016		454	1,422	3,311	415	5,602
Provisions for impairment						
At 1 July 2015		-	50	-	-	50
Impairment for the year		-	24	-	-	24
At 30 June 2016		-	74	-	-	74
Carrying value						
At 30 June 2016		454	1,348	3,311	415	5,528
At 30 June 2015		364	1,167	3,199	315	5,045
Company	Shares in subsidi- aries £'000	Listed invest- ments £'000	Other invest- ments £'000	Real estate £'000	Loans £'000	Total £'000
Carrying value before impairment						
At 1 July 2015	50,064	364	1,217	3,199	315	55,159
Additions	-	100	205	112	100	517
Movement in fair value	-	(10)	-	-	-	(10)
At 30 June 2016	50,064	454	1,422	3,311	415	55,666
Provisions for impairment						
At 1 July 2015	-	-	50	-	-	50
Impairment for the year	-	-	24	-	-	24
At 30 June 2016	-	-	74	-	-	74
Carrying value						
At 30 June 2016	50,064	454	1,348	3,311	415	55,592
At 30 June 2015	50,064	364	1,167	3,199	315	55,109

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

13. INVESTMENTS (continued)

The company and the group have investments in the following subsidiary undertakings:

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	†54%	Provision of port facilities, cargo handling, storage and rental of properties
First Corporate Shipping Limited *	England and Wales	Preferred 'B' shares	†57%	Provision of port facilities, cargo handling, storage and rental of properties
The Bristol Port Company (Trustees) Limited *	England and Wales	Ordinary shares	†54%	Pension fund trustee
The Bristol Bulk Company Limited *	England and Wales	Ordinary shares	†41%	Dormant
Crestcredit Projects Limited *	England and Wales	Ordinary shares	†54%	Estate management
Bristol and Gloucester Pilot Boat Company Limited *	England and Wales	Ordinary shares	†54%	Dormant
Agricultural Bulk Services (Bristol) Limited *	England and Wales	Ordinary shares	†54%	Dormant
Bristol Oil and Gas Limited *	England and Wales	Ordinary shares	†54%	Dormant
Erraid Limited **	England and Wales	Ordinary shares	33%	Property development

* denotes that the holdings are indirectly held.

** The company holds 33% of the issued equity share capital of Erraid Limited. However, the shares held afford the company 51% of the voting rights, hence Erraid Limited is treated as a subsidiary and included within the consolidated financial statements.

† On 1 April 2016, First Corporate Shipping Limited bought back 2,027 Ordinary shares and 7 Preferred 'B' shares from one of its shareholders. These shares were subsequently cancelled. Consequently, the company's share of equity in these subsidiaries has increased.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

13. INVESTMENTS (continued)

The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was £332,000 (2015: £232,000) and £113,000 (2015: £113,000) which are quoted on the London Stock Exchange and New York Stock Exchange, respectively. The market value of these shares at 30 June 2016 was £337,000 (2015: £267,000) and £117,000 (2015: £97,000), respectively.

Other investments are held at cost less impairment because their fair value cannot be measured reliably.

Loans receivable constitute financing transactions and are measured at the present value of the future cash flows, discounted at a market rate of interest.

14. STOCK

Group	2016 £'000	2015 £'000
Work in progress	1,051	-

15. DEBTORS

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts falling due within one year				
Trade debtors	8,111	6,763	-	-
Amounts owed by group companies	-	-	31,189	32,220
Other debtors	482	1,190	295	638
Prepayments and accrued income	1,418	1,211	-	-
	<u>10,011</u>	<u>9,164</u>	<u>31,484</u>	<u>32,858</u>
Amounts falling due after more than one year				
Deferred tax (note 20)	<u>4,714</u>	<u>3,874</u>	<u>-</u>	<u>-</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Loans (note 18)	225	225	-	-
Derivative financial instruments (note 22)	1,904	1,689	-	-
Trade creditors	4,291	2,298	-	-
Amounts owed to subsidiary undertakings	-	-	10	10
Current corporation tax	4,140	3,390	29	40
Other taxes and social security costs	1,489	1,269	15	15
Other creditors	2,860	2,136	-	-
Accruals and deferred income	10,507	9,324	22	1
Dividends	3,530	4,319	-	-
	<u>28,946</u>	<u>24,650</u>	<u>76</u>	<u>66</u>

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

Group	2016 £'000	2015 £'000
Loans (note 18)	66,575	51,800
Derivative financial instruments (note 22)	2,009	2,650
Other creditors	1,027	1,027
Accruals and deferred income (note 19)	4,886	5,379
	<u>74,497</u>	<u>60,856</u>

18. BANK LOANS

Group	2016 £'000	2015 £'000
Wholly repayable within five years:		
- bank term loan and revolving credit facility	65,000	50,000
- bank loans	1,800	2,025
	<u>66,800</u>	<u>52,025</u>
Included in creditors - amounts falling due within one year (note 16)	(225)	(225)
Included in creditors - amounts falling due after more than one year (note 17)	<u>66,575</u>	<u>51,800</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

18. BANK LOANS (continued)

	2016 £'000	2015 £'000
Amounts repayable by instalments:		
- within one year	225	225
- within one to two years	225	225
- within two to five years	65,675	50,675
- after five years	675	900
	<u>66,800</u>	<u>52,025</u>
Bank loans secured on land and buildings, repayable by instalments:		
- by 2017, variable interest rate linked to LIBOR	225	225
- by 2018, variable interest rate linked to LIBOR	225	225
- by 2019, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	1,125	1,350
	<u>1,800</u>	<u>2,025</u>

The bank term loan and revolving credit facility, of which £65,000,000 (2015: £50,000,000) 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.

19. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is:

Group	£'000	
Government grant		
At 1 July 2015	5,886	
Release to profit and loss account	(507)	
At 30 June 2016	<u>5,379</u>	
	2016 £'000	2015 £'000
The government grant balance is analysed as follows:		
- due within one year	493	507
- due after more than one year (note 17)	4,886	5,379
	<u>5,379</u>	<u>5,886</u>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

20. PROVISIONS FOR LIABILITIES

Group	Assets £'000	Liabilities £'000
Deferred taxation		
At 1 July 2015	3,874	19,693
Charged to profit and loss account	(94)	(572)
Charged to other comprehensive income	934	(2,100)
	<hr/>	<hr/>
At 30 June 2016	4,714	17,021
	<hr/>	<hr/>
Analysis of deferred tax balances	2016	2015
	£'000	£'000
Deferred tax assets		
In relation to derivative financial instruments	743	868
In relation to retirement benefit obligations	3,971	2,934
Other timing differences	-	72
	<hr/>	<hr/>
Total deferred tax assets	4,714	3,874
	<hr/>	<hr/>
Deferred tax liabilities		
Capital allowances in excess of depreciation	3,447	3,972
In relation to fixed asset revaluations	13,042	15,002
In relation to gains rolled-over	428	476
In relation to retirement benefit obligations	104	243
	<hr/>	<hr/>
Total deferred tax liabilities	17,021	19,693
	<hr/>	<hr/>

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

21. FINANCIAL INSTRUMENTS

The carrying values of the group's and company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Financial assets				
Cash and bank balances	1,897	7,026	1,326	2,595
Measured at undiscounted amount receivable				
- Trade and other debtors (note 15)	8,593	7,953	295	638
- Amounts owed by subsidiary undertakings (note 15)	-	-	31,189	32,220
Measured at cost less impairment				
- Non-listed investments (note 13)	1,348	1,167	1,348	1,167
- Investments in subsidiaries (note 13)	-	-	50,064	50,064
Measured at fair value through the profit and loss				
- Listed investments (note 13)	454	364	454	364
Measured at present value of the future cash flows				
- Loans (note 13)	415	315	415	315
Total financial assets	12,707	16,825	85,091	87,363
Financial liabilities				
Measured at undiscounted amount payable				
- Trade and other creditors due within one year (note 16)	16,310	13,412	44	55
- Other creditors due after one year (note 17)	1,027	1,027	-	-
- Amounts owed to subsidiary undertakings (note 16)	-	-	10	10
Measured at amortised cost				
- Loans payable (note 18)	66,800	52,025	-	-
Measured at fair value through the profit and loss				
- Derivative financial liabilities (note 22)				
- due within one year	1,904	1,689	-	-
- due after one year	2,009	2,650	-	-
Total financial liabilities	88,050	70,803	54	65

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2016 £'000	2015 £'000
Fair value gains and (losses)		
On financial liabilities measured at fair value through profit or loss (note 22)	427	98

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

22. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Due within one year		Due after one year	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Liabilities				
- Interest rate swap	1,904	1,689	2,009	2,650

Interest rate swap contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at 30 June 2016:

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
	2016	2015	2016	2015	2016	2015
	%	%	£'000	£'000	£'000	£'000
2 to 5 years	4.1%	4.1%	50,000	50,000	3,913	4,339

The interest rate swap settles on a monthly basis up to 31 July 2016 and settles quarterly thereafter. The floating rate on the interest rate swap is LIBOR. The group settles the difference between the fixed and floating interest rate on a net basis.

The interest rate swap contract exchanging floating rate interest amounts for fixed rate interest amounts is in place to reduce the group's cash flow exposure resulting from variable interest rates on borrowings.

23. CALLED-UP SHARE CAPITAL AND RESERVES

	2016	2015
	£	£
Allotted, called-up and fully paid		
167 Ordinary shares of £1 each	167	167

Ordinary shares of £1 each

The profits of the company are available for distribution by way of dividend among the holders of the ordinary shares. The ordinary shares carry a right to vote at any general meeting of the company and on a winding up of the company have a right to receive the balance of any surplus assets.

The ordinary shares are classified as equity shares in the balance sheet as they have no redemption rights or guaranteed right to dividends and do have an interest in the residual assets of the company after deducting all liabilities.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

23. CALLED-UP SHARE CAPITAL AND RESERVES (continued)

Reserves

The group's and company's other reserves are as follows:

Profit and loss account

This represents cumulative profits or losses, net of dividends paid and other adjustments.

Revaluation reserve

This represents the cumulative effect of revaluations of land, buildings and investment properties, as described in note 12, and listed investments, as described in note 13.

Capital reserve

Included in this reserve is the negative goodwill on the acquisition of the Port of Bristol in 1991 and the nominal value of shares redeemed or bought back by the company.

Other reserve

This arose as a result of the acquisition of Agricultural Bulk Services (Bristol) Limited in 2000 and resulted from the implementation of a previous accounting standard.

24. CAPITAL COMMITMENTS

Group	2016 £'000	2015 £'000
Contracted for but not provided	1,727	2,327

The company had no capital commitments at 30 June 2016 or at 30 June 2015.

25. 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 2016 by a qualified independent actuary.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

25. PENSION COMMITMENTS (continued)

Main financial assumptions

	2016	2015
RPI inflation	2.80%	3.10%
CPI inflation	1.80%	2.10%
Discount rate at 30 June	2.70%	3.60%
Future salary increases	1.80%	2.10%
Rates of increase to pensions in payment		
- Accrued before 6 April 1997	1.80%	2.10%
- Accrued after 6 April 1997	1.80%	2.10%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the group's defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The following mortality assumptions have been used for the current and previous financial years: 105% males/110% females of the S1Px tables with improvements in line with the CMI 2013 projections and a long-term rate of improvement of 1.25% per annum.

	2016	2015
Weighted average life expectancy to determine benefit obligations:		
Male life expectancy		
- Retiring at age 65 now	22 years	22 years
- Retiring at age 65 in 20 years	24 years	24 years
Female life expectancy		
- Retiring at age 65 now	24 years	24 years
- Retiring at age 65 in 20 years	26 years	26 years

	2016 £'000	2015 £'000
Amounts recognised in the balance sheet:		
Present value of defined benefit obligations	98,614	90,524
Fair value of scheme assets	(76,553)	(75,855)
Liability recognised in the balance sheet	22,061	14,669

Amounts recognised in the profit and loss account:

Current service cost	728	835
Administration expenses	452	422
Net interest on net liability	509	584
Total recognised in the profit and loss account	1,689	1,841

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

25. PENSION COMMITMENTS (continued)

	2016 £'000	2015 £'000		
Amounts recognised in other comprehensive income:				
Asset gains arising during the year	795	2,118		
Liability losses arising during the year	(7,698)	(1,090)		
Total recognised in other comprehensive income	(6,903)	1,028		
Changes in the present value of the defined benefit obligations are as follows:				
Opening defined benefit obligations	90,524	88,001		
Service cost	728	835		
Interest cost	3,190	3,539		
Actuarial losses	7,698	1,090		
Employee contributions	307	336		
Net benefits paid out	(3,833)	(3,277)		
Closing defined benefit obligations	98,614	90,524		
Changes in the fair value of scheme assets:				
Opening fair value of scheme assets	75,855	72,945		
Interest income	2,681	2,955		
Actuarial gains	795	2,118		
Contributions by employer	1,200	1,200		
Contributions by members	307	336		
Net benefits paid out	(3,833)	(3,277)		
Administration expenses	(452)	(422)		
Closing fair value of scheme assets	76,553	75,855		
	2016 £'000	%	2015 £'000	%
Analysis of scheme assets by class:				
Equities	35,401	46.2	35,335	46.6
Government bonds	11,190	14.6	10,208	13.5
Corporate bonds	6,024	7.9	5,734	7.6
Hedge funds	23,408	30.6	23,286	30.7
Cash and other	530	0.7	1,292	1.6
Closing fair value of scheme assets	76,553	100.0	75,855	100.0

The group's contributions during the period amounted to £1,200,000 (2015: £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 2016

25. PENSION COMMITMENTS (continued)

The group also operates a defined contribution pension scheme. Those employees who are members of the defined contribution 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 £888,000 (2015: £875,000) and no amounts were outstanding at the year-end (2015: £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. Until the legal status of the trustee's powers had been clarified, the company was unable to determine its share of the liabilities of the fund. Following the court's judgment and further information being made available on the extent of the PNPF's liabilities, the company is 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 2016 by a qualified independent actuary.

Main financial assumptions

	2016	2015
RPI inflation	2.80%	3.10%
CPI inflation	1.80%	2.10%
Discount rate at 30 June	2.70%	3.50%
Future salary increases	3.30%	3.60%
Rates of increase to pensions in payment		
- Maximum 5% pa, minimum 0% pa	2.80%	3.00%
- Maximum 5% pa, minimum 3% pa	3.40%	3.60%
Rates of increase to pensions in deferment		
- Minimum 3% pa	3.00%	3.00%
- Other	1.80%	2.10%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the PNPF defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The following mortality assumptions have been used for the current and previous financial years: 100% of the S2PxA table with improvements in line with the CMI 2015 projections (2015: CMI 2014 projections) and a long-term rate of improvement of 1.25% per annum.

	2016	2015
Weighted average life expectancy to determine benefit obligations:		
Male life expectancy		
- Retiring at age 65 now	22 years	22 years
- Retiring at age 65 in 20 years	24 years	24 years
Female life expectancy		
- Retiring at age 65 now	24 years	24 years
- Retiring at age 65 in 20 years	26 years	26 years

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

25. PENSION COMMITMENTS (continued)

	2016 £'000	2015 £'000
Amounts recognised in the balance sheet:		
Present value of defined benefit obligations	23,920	22,939
Fair value of scheme assets	(14,669)	(14,156)
Liability recognised in the balance sheet	9,251	8,783
Amounts recognised in the profit and loss account:		
Current service cost	136	142
Past service cost	-	(115)
Administration expenses	53	80
Net interest on net liability	290	375
Total recognised in the profit and loss account	479	482
Amounts recognised in other comprehensive income:		
Asset gains arising during the year	600	914
Liability losses arising during the year	(1,242)	(186)
Total recognised in other comprehensive income	(642)	728
Changes in the present value of the defined benefit obligations are as follows:		
Opening defined benefit obligations	22,939	22,826
Service cost	136	142
Interest cost	776	908
Actuarial losses	1,242	186
Employee contributions	377	340
Net benefits paid out	(1,550)	(1,348)
Past service costs	-	(115)
Closing defined benefit obligations	23,920	22,939

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

25. PENSION COMMITMENTS (continued)

	2016 £'000	2015 £'000
Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	14,156	13,219
Interest income	486	533
Actuarial gains	600	914
Contributions by employer	653	578
Contributions by members	377	340
Net benefits paid out	(1,550)	(1,348)
Administration expenses	(53)	(80)
Closing fair value of scheme assets	14,669	14,156

	2016 £'000	%	2015 £'000	%
Analysis of scheme assets by class:				
'Growth' Assets				
- Global equities	2,127	14.5	2,123	15.0
- Fund of hedge funds	2,186	14.9	2,407	17.0
- Diversified growth funds	2,142	14.6	2,265	16.0
'Matching' Assets				
- Corporate bonds	5,457	37.2	5,521	39.0
- Gilts	2,538	17.3	1,416	10.0
- Cash and other	219	1.5	424	3.0
Closing fair value of scheme assets	14,669	100.0	14,156	100.0

Target asset allocation:

'Growth' Assets	50%	50%
'Matching' Assets	50%	50%

The group's contributions during the period amounted to £653,000 (2015: £578,000) and the agreed group contribution rate for the coming year is £676,000.

26. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption contained in FRS 102, Section 33 which does not require the company to disclose transactions with other group companies.

First Corporate Shipping Limited incurred management charges of £573,081 (2015: £552,279) from both First Corporate Consultants Limited and David Ord Limited during the year. As at the year-end an amount of £324,562 (2015: £304,966) 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 Sir David Ord, respectively.

The total remuneration for key management personnel, being the directors, is shown in note 7.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

27. ULTIMATE CONTROLLING PARTY

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

28. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the group has presented its financial statements under Financial Reporting Standard 102 issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Reconciliation of equity

	Group		Company	
	At 1 July 2014 £'000	At 30 June 2015 £'000	At 1 July 2014 £'000	At 30 June 2015 £'000
Equity reported under previous UK GAAP	106,113	110,052	89,782	90,437
Adjustment to non-controlling interest (note 29)	(12,014)	(12,424)	-	-
Adjustments to equity on transition to FRS 102				
a. BPC Pension scheme	-	-	-	-
b. PNPF Pension scheme	-	-	-	-
c. Derivative financial instruments	(4,437)	(4,339)	-	-
d. Holiday pay accrual	(187)	(178)	-	-
e. Deferred tax on fixed asset revaluations	(14,804)	(15,002)	-	-
f. Deferred tax on rolled-over gains	(476)	(476)	-	-
g. Deferred tax on derivative financial instruments	888	868	-	-
h. Deferred tax on holiday pay accrual	37	36	-	-
i. Fair value investments	80	77	80	77
Non-controlling interest share of FRS 102 adjustments	10,177	10,238	-	-
Rounding	(1)	(1)	-	(1)
Equity reported under FRS 102	85,376	88,851	89,862	90,513

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

28. EXPLANATION OF TRANSITION TO FRS 102 (continued)

Reconciliation of profit for the year ended 30 June 2015

	Group £'000	Company £'000
Profit for the financial year under previous UK GAAP	7,248	3,865
Adjustment to non-controlling interest (note 29)	(423)	-
Adjustments to profit on transition to FRS 102		
a. BPC Pension scheme	(1,442)	-
b. PNPf Pension scheme	(183)	-
c. Derivative financial instruments	98	-
d. Holiday pay accrual	9	-
e. Deferred tax on fixed asset revaluations	-	-
f. Deferred tax on rolled-over gains	-	-
g. Deferred tax on derivative financial instruments	(20)	-
h. Deferred tax on holiday pay accrual	(2)	-
i. Fair value investments	(3)	(3)
Minority interest share of FRS 102 adjustments	826	-
Rounding	-	(1)
Profit for the financial year under FRS 102	6,108	3,861

Notes to the reconciliations of equity at 1 July 2014 and profit for the year ended 30 June 2015:

a. BPC Pension scheme

Under FRS 102, the group is required to use the same discount rate (based on high quality bonds) to value both assets and liabilities of its defined benefit pension scheme. Previously, under FRS 17, the group used an assumed expected return on scheme assets, which, in recent years, has given rise to a net credit to the profit and loss account. The additional charge under FRS 102 is shown in the profit and loss account, with the corresponding adjustment in the statement of comprehensive income (formerly the statement of total recognised gains and losses). The pension liability is no longer presented net of deferred tax. Separate provisions for deferred tax asset and liability are shown in the balance sheet.

b. PNPf pension scheme

See 'BPC Pension scheme' above.

c. Derivative financial instruments

Under FRS 102, derivatives must be recognised on the balance sheet at their fair value. Throughout the year ended 30 June 2015, the group held one interest rate swap, which has given rise to a liability on the balance sheet. The movement in fair value of this swap has been recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

28. EXPLANATION OF TRANSITION TO FRS 102 (continued)

d. Holiday pay accrual

FRS 102 requires the group to recognise the fair value of employee holiday entitlements that have been earned, but not taken. This has been included in accruals the balance sheet, with the movement in fair value recognised in the profit and loss account.

e. Deferred tax on fixed asset revaluations

FRS 102 requires the group to provide for deferred tax on the revaluation of fixed assets. This was previously simply disclosed in a note to the financial statements. The movement in this provision has been recognised in the tax charge in the profit and loss account.

f. Deferred tax on rolled-over gains

In addition to the revaluation of fixed assets, FRS 102 also requires deferred tax to be provided on gains which have been rolled-over in the past. Again, this was previously simply disclosed in a note to the financial statements. The movement in this provision has been recognised in the tax charge in the profit and loss account.

g. Deferred tax on derivative financial instruments

The recognition of derivative financial instruments on the balance sheet (see point c above) gives rise to deferred tax. Since the interest rate swap has given rise to a liability on the balance sheet, the related deferred tax is an asset. The movement in this deferred tax asset has been recognised in the profit and loss account.

h. Deferred tax on holiday pay accrual

The recognition of derivative financial instruments on the balance sheet (see point d above) gives rise to tax relief. As this relief has been taken in the current financial year, it is provided for as deferred tax at 30 June 2015. The movement in this deferred tax asset has been recognised in the profit and loss account.

i. Fair value investments

Previously, the group held its listed investments at cost less any impairment. FRS 102 requires these types of investments to be held at fair value. This adjustment reverses the previous impairment on the listed investments and revalues them at fair value at balance sheet date.

29. PRIOR PERIOD ADJUSTMENT

The directors have identified that the calculation of the non-controlling interest (previously "minority interest") had been incorrect in previous years. The impact was that the minority interest was understated by £12,014,000 at 1 July 2014 and by £12,424,000 at 30 June 2015. Total equity shareholders' funds were overstated by the same amounts. The impact on the reserves is shown in the consolidated statement of changes in equity.