

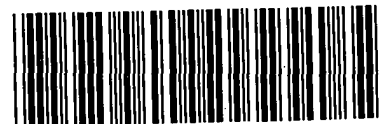
Company Registered Number 2155845

FIRST CORPORATE CONSULTANTS LIMITED

Report and Consolidated Financial Statements

30 June 2014

TUESDAY



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FIRST CORPORATE CONSULTANTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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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
Bristol

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 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.

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Turnover | 81,998 | 77,185 |
| Operating profit* | 22,719 | 23,436 |
| Profit on ordinary activities before taxation* | 18,930 | 19,436 |
| Profit on ordinary activities after taxation* | 13,668 | 14,184 |
| Profit on ordinary activities after taxation and minority interest* | 6,238 | 6,994 |
| Net cash inflow from operating activities | 28,631 | 35,413 |

Turnover increased by 6% on the prior year as a result of continued strong coal volumes and increases across most of the group's revenue lines. Cost of sales and administrative expenses have risen by 11% and 6%, respectively, on this increased activity, mainly as a result of increased headcount. Operating profit has decreased by 3% to £22,719,000. Cash inflow from operating activities was £28,631,000; of this £10,235,000 was used for capital expenditure (2013: £8,838,000). Through the year, a net total of £1,500,000 was repaid against the RBS facility, leaving a balance of £53,500,000 at the end of the financial year.

During the prior year, the group was advised of its share of the deficit of the Pilots' National Pension Fund ("PNPF"). The initial recognition of this liability in the balance sheet gave rise to an expense in the profit and loss account of £10,259,000. The financial key performance indicators marked with an asterisk above exclude the effect of this cost. Further details of the liability relating to the PNPF are given in note 22.

An interim dividend of £2,050,000 (2013: £2,963,000) was paid during the year and no dividend (2013: £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)

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.

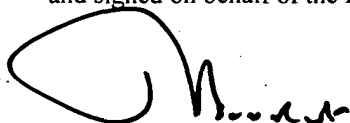
Property

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
21 October 2014

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

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 2014. The total valuation was £53,987,000 (2013: £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 £436,967 (2013: £424,349) and political donations to the Conservative Party of £10,000 (2013: £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 accounts of those companies.

FIRST CORPORATE CONSULTANTS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

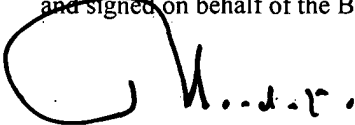
Each of the directors at the date of approval of this report confirms that:

- 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



T C Mordaunt
Director
21 October 2014

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 2014 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 26. 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 2014 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.

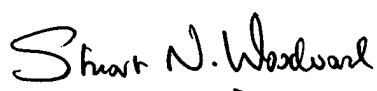
Opinion on other matter prescribed by the Companies Act 2006

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.



Stuart Woodward (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
21 October 2014

FIRST CORPORATE CONSULTANTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|---------------|---------------|
| TURNOVER | 2 | 81,998 | 77,185 |
| Cost of sales | | (46,062) | (41,398) |
| Share of PNPF deficit | 22 | - | (10,259) |
| Cost of sales | | (46,062) | (51,657) |
| GROSS PROFIT | | 35,936 | 25,528 |
| <i>Gross profit excluding share of PNPF deficit</i> | | 35,936 | 35,787 |
| Administration expenses | | (13,331) | (12,563) |
| | | 22,605 | 12,965 |
| Other operating income | 3 | 114 | 212 |
| OPERATING PROFIT | 4 | 22,719 | 13,177 |
| <i>Operating profit excluding share of PNPF deficit</i> | | 22,719 | 23,436 |
| Investment income | | 27 | 17 |
| Interest receivable and similar income | 6 | 1,017 | 950 |
| Interest payable and similar charges | 6 | (4,833) | (4,967) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 18,930 | 9,177 |
| <i>Profit before taxation excluding share of PNPF deficit</i> | | 18,930 | 19,436 |
| Tax on profit on ordinary activities | 7 | (5,262) | (2,815) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 13,668 | 6,362 |
| <i>Profit after taxation excluding share of PNPF deficit</i> | | 13,668 | 14,184 |
| Minority interest | 20 | (7,430) | (3,514) |
| PROFIT AFTER MINORITY INTEREST | 19 | 6,238 | 2,848 |
| <i>Profit after minority interest excluding share of PNPF deficit</i> | | 6,238 | 6,994 |

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 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|-------------|-----------------------|-----------------------|
| Profit for the financial year | | 6,238 | 2,848 |
| Actuarial gains/(losses) relating to the pension scheme | 22 | 257 | (3,248) |
| UK deferred tax attributable to actuarial (gains)/losses | 22 | (50) | 675 |
| Total recognised gains and losses relating to the year | | <u>6,445</u> | <u>275</u> |

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 30 June 2014

| | Note | £'000 |
|--|-------------|----------------|
| At 1 July 2013 | | 101,718 |
| Total recognised gains and losses relating to the year | | 6,445 |
| Dividends | 8 | (2,050) |
| At 30 June 2014 | | <u>106,113</u> |

FIRST CORPORATE CONSULTANTS LIMITED

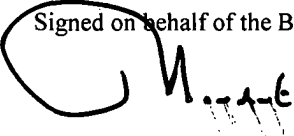
CONSOLIDATED BALANCE SHEET

At 30 June 2014

| | Note | 2014 | | 2013 | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | 6,207 | | 6,159 |
| Tangible assets | 10 | | 282,080 | | 282,805 |
| Investments | 11 | | 4,784 | | 3,738 |
| | | | <u>293,071</u> | | <u>292,702</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 11,718 | | 7,319 | |
| Cash at bank and in hand | 23 | 5,633 | | 5,766 | |
| | | <u>17,351</u> | | <u>13,085</u> | |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 13 | <u>(28,498)</u> | | <u>(25,155)</u> | |
| NET CURRENT LIABILITIES | | | <u>(11,147)</u> | | <u>(12,070)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 281,924 | | 280,632 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 14 | | (62,420) | | (64,352) |
| PROVISIONS FOR LIABILITIES | 17 | | <u>(4,014)</u> | | <u>(4,805)</u> |
| NET ASSETS EXCLUDING PENSION LIABILITY | | | 215,490 | | 211,475 |
| NET PENSION LIABILITY | 22 | | <u>(21,750)</u> | | <u>(22,398)</u> |
| NET ASSETS INCLUDING PENSION LIABILITY | | | <u>193,740</u> | | <u>189,077</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 18 | | - | | - |
| Revaluation reserve | 19 | | 58,796 | | 58,796 |
| Capital reserve | 19 | | 14,447 | | 14,845 |
| Other reserve | 19 | | 1,158 | | 1,158 |
| Profit and loss account | 19 | | 31,712 | | 26,919 |
| Total equity shareholders' funds | | | <u>106,113</u> | | <u>101,718</u> |
| Minority interest | 20 | | 87,627 | | 87,359 |
| SHAREHOLDERS' FUNDS | | | <u>193,740</u> | | <u>189,077</u> |

The financial statements of First Corporate Consultants Limited, registered number 2155845, were approved by the Board of Directors and authorised for issue on 21 October 2014.

Signed on behalf of the Board of Directors


T C Mordaunt
Director

FIRST CORPORATE CONSULTANTS LIMITED

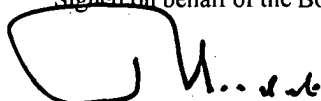
COMPANY BALANCE SHEET

At 30 June 2014

| | Note | 2014 | | 2013 | |
|---|------|----------------|---------------|----------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 33 | | 48 |
| Investments | 11 | | 54,848 | | 53,802 |
| | | | <u>54,881</u> | | <u>53,850</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 33,244 | | 33,097 | |
| Cash at bank and in hand | | 3,559 | | 644 | |
| | | <u>36,803</u> | | <u>33,741</u> | |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 13 | <u>(1,902)</u> | | <u>(1,903)</u> | |
| NET CURRENT ASSETS | | | <u>34,901</u> | | <u>31,838</u> |
| NET ASSETS | | | <u>89,782</u> | | <u>85,688</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 18 | | - | | - |
| Profit and loss account | 19 | | 89,782 | | 85,688 |
| SHAREHOLDERS' FUNDS | | | <u>89,782</u> | | <u>85,688</u> |

The financial statements of First Corporate Consultants Limited, registered number 2155845, were approved by the Board of Directors and authorised for issue on 21 October 2014.

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 2013

| | Note | 2014 | | 2013 | |
|--|--------|----------|----------|----------|---------|
| | | £'000 | £'000 | £'000 | £'000 |
| Net cash inflow from operating activities | 4 | | 28,631 | | 35,413 |
| Returns on investments and servicing of finance | | | | | |
| Investment income | | 27 | | 17 | |
| Interest received | | 16 | | 33 | |
| Interest paid | | (4,463) | | (4,355) | |
| Subsidiary dividends paid to minority interest | | (6,318) | | (4,654) | |
| Net cash outflow from returns on investments and servicing of finance | | | (10,738) | | (8,959) |
| Taxation | | | | | |
| UK corporation tax paid | | | (3,225) | | (5,328) |
| Capital expenditure | | | | | |
| Payments to acquire tangible fixed assets | | (10,227) | | (8,653) | |
| Receipts from sales of tangible fixed assets | | 251 | | 293 | |
| Payments to acquire intangible fixed assets | | (8) | | (185) | |
| Net cash outflow from capital expenditure | | | (9,984) | | (8,545) |
| Equity dividends paid | | | (2,050) | | (2,963) |
| Management of liquid resources | | | | | |
| Purchase of equities | | (1,066) | | (380) | |
| Disposal of equities | | 24 | | - | |
| Net cash outflow from management of liquid resources | | | (1,042) | | (380) |
| Cash inflow before financing | | | 1,592 | | 9,238 |
| Financing | | | | | |
| Debt due within one year - repayment of secured loan | | (225) | | (225) | |
| Debt due after one year - drawdown of loan | | 7,000 | | 2,000 | |
| Debt due after one year - repayment of secured loan | | (8,500) | | (11,000) | |
| Net cash outflow from financing | | | (1,725) | | (9,225) |
| (Decrease)/increase in cash in the year | 23, 24 | | (133) | | 13 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. ACCOUNTING POLICIES

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

Basis of accounting

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

Basis of consolidation

The group accounts consolidate the accounts of First Corporate Consultants Limited and all its subsidiary undertakings. In accordance with the exemption permitted by Section 408 of the Companies Act 2006, the company's own profit and loss account is not presented.

Going concern

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

Turnover

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

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.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

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 accounts. This revaluation relates to the land value only.

Capitalised interest

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

Investments

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

Investment properties

In accordance with Statement of Standard Accounting Practice 19 'Accounting for investment properties' (SSAP19), investment properties are revalued annually and any aggregate surplus or deficit, which is deemed temporary, is transferred to the revaluation reserve. Permanent deficits are charged against the profit and loss account. No depreciation is provided in respect of investment properties.

The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP19 as these properties are not held for consumption but for their investment potential.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by any related depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

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 2014

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 2014

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 | |
|--|-----------------|---------------|------------------|---------------|---------------|---------------|
| | 2014 £'000 | 2013 £'000 | 2014 £'000 | 2013 £'000 | 2014 £'000 | 2013 £'000 |
| Turnover | 75,318 | 71,743 | 6,680 | 5,442 | 81,998 | 77,185 |
| Operating profit excluding share of PNPF deficit | 16,343 | 18,126 | 6,376 | 5,310 | 22,719 | 23,436 |
| Investment income | | | | | 27 | 17 |
| Net interest | | | | | (3,816) | (4,017) |
| Profit before taxation excluding share of PNPF deficit | | | | | 18,930 | 19,436 |

3. OTHER OPERATING INCOME

| | 2014 £'000 | 2013 £'000 |
|--------------------------------|---------------|---------------|
| Profit on sale of fixed assets | 69 | 187 |
| Sale of materials | 29 | 25 |
| Sundry operating income | 16 | - |
| | 114 | 212 |

4. OPERATING PROFIT

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

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Depreciation of owned fixed assets | 11,619 | 11,598 |
| Amortisation of negative goodwill | (40) | (40) |
| Profit on disposal of tangible fixed assets and investments | (69) | (187) |
| Amortisation of government grant | (507) | (508) |
| Share of PNPF deficit | - | 10,259 |
| Fees payable to the company's auditor: | | |
| - for the audit of the company's annual accounts | 2 | 2 |
| - for the audit of the company's subsidiaries pursuant to legislation | 54 | 59 |
| - total audit fees | 56 | 61 |
| - tax services | 48 | 53 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

4. OPERATING PROFIT (continued)

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

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Operating profit | 22,719 | 13,177 |
| Depreciation | 11,619 | 11,598 |
| Amortisation of negative goodwill | (40) | (40) |
| Impairment of investments | (4) | 40 |
| Profit on disposal of tangible fixed assets and investments | (69) | (187) |
| Amortisation of government grant | (507) | (508) |
| Adjustment for pension funding | (306) | (501) |
| Share of PNPf deficit | - | 10,259 |
| Increase in debtors | (4,399) | (507) |
| (Decrease)/increase in creditors | (382) | 2,082 |
| Net cash inflow from operating activities | 28,631 | 35,413 |

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Directors | | |
| Emoluments for qualifying services | 702 | 729 |
| Aggregate of emoluments (excluding pension contributions) of the highest paid director | 529 | 520 |

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

| | £'000 | £'000 |
|---|---------------|---------------|
| Staff costs, including directors | | |
| Wages and salaries | 21,425 | 19,399 |
| Social security costs | 1,932 | 1,752 |
| Other pension costs | 1,797 | 1,417 |
| | 25,154 | 22,568 |

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

| | No. | No. |
|----------------------------|------------|------------|
| Port operations | 494 | 441 |
| Administration and general | 59 | 59 |
| | 553 | 500 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Interest receivable and similar income: | | |
| Interest receivable | 16 | 33 |
| Finance income associated with defined benefit pension schemes | 1,001 | 917 |
| | <u>1,017</u> | <u>950</u> |
| Interest payable and similar charges: | | |
| Bank loans and overdrafts wholly repayable within five years | 3,931 | 4,427 |
| Amortisation of capitalised finance costs | 540 | 540 |
| | <u>4,471</u> | <u>4,967</u> |
| Interest payable | 4,471 | 4,967 |
| Finance charges associated with defined benefit pension schemes | 362 | - |
| | <u>4,833</u> | <u>4,967</u> |

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Current tax charge for the year (see below): | | |
| - UK corporation tax on profits in the year | 5,585 | 3,424 |
| - adjustment in respect of prior years | (218) | (311) |
| | <u>5,367</u> | <u>3,113</u> |
| Total current tax | 5,367 | 3,113 |
| Deferred tax: | | |
| - timing differences, origination and reversal | (168) | (383) |
| - impact of change in tax rate | (606) | (213) |
| - adjustment in respect of prior years | (17) | 51 |
| - non-actuarial timing differences re FRS17* | 686 | 247 |
| | <u>5,262</u> | <u>2,815</u> |
| Tax on profit on ordinary activities | 5,262 | 2,815 |

* Financial Reporting Standard 17 'Retirement Benefits'.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the year

| | | |
|---|--------|-------|
| Profit on ordinary activities before taxation | 18,930 | 9,177 |
| Tax at 22.5% (2013: 23.75%) thereon | 4,259 | 2,180 |
| Effects of: | | |
| - non-taxable income and expenses not deductible for tax purposes | 1,153 | 942 |
| - timing differences relating to fixed assets | 112 | 302 |
| - utilisation of tax losses | 61 | - |
| Adjustment in respect of prior years | (218) | (311) |
| Current tax charge for the year (see above) | 5,367 | 3,113 |

Included in the above is a tax credit of £nil (2013: £2,437,000) on the charge relating to the initial recognition of the group's share of the PNPF deficit (note 22).

Factors that may affect the future tax charge

The Finance Act 2013 reduced the main rate of corporation tax from 23% to 21% from 1 April 2014. 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 22.5%. The Finance Act 2013 enacted a further reduction in the main tax rate to 20% from 1 April 2015. 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 £15,118,000 (2013: £17,386,000). 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 (2013: £547,000).

8. DIVIDENDS

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Equity shares | | |
| Interim paid, £12,275 per ordinary share (2013: £17,744) | 2,050 | 2,963 |
| Final declared, £nil per ordinary share (2013: £nil) | - | - |
| | 2,050 | 2,963 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

9. INTANGIBLE FIXED ASSETS

| Group | Harbour Revision Order £'000 | Negative goodwill £'000 | Total £'000 |
|-----------------------|---------------------------------------|-------------------------------|----------------|
| Cost | | | |
| At 1 July 2013 | 6,348 | (709) | 5,639 |
| Additions | 8 | - | 8 |
| At 30 June 2014 | 6,356 | (709) | 5,647 |
| Amortisation | | | |
| At 1 July 2013 | - | (520) | (520) |
| Written back in year | - | (40) | (40) |
| At 30 June 2014 | - | (560) | (560) |
| Net book value | | | |
| At 30 June 2014 | 6,356 | (149) | 6,207 |
| At 30 June 2013 | 6,348 | (189) | 6,159 |

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 2014

10. TANGIBLE FIXED ASSETS

| Group | Long leasehold investment properties £'000 | Long leasehold land and buildings £'000 | Plant and equipment £'000 | Total £'000 |
|--------------------------|--|---|---------------------------------|----------------|
| Cost or valuation | | | | |
| At 1 July 2013 | 53,987 | 173,255 | 220,322 | 447,564 |
| Additions | - | 3,126 | 7,950 | 11,076 |
| Disposals | - | - | (1,104) | (1,104) |
| At 30 June 2014 | 53,987 | 176,381 | 227,168 | 457,536 |
| Depreciation | | | | |
| At 1 July 2013 | - | 32,812 | 131,947 | 164,759 |
| Charge for the year | - | 2,081 | 9,538 | 11,619 |
| Disposals | - | - | (922) | (922) |
| At 30 June 2014 | - | 34,893 | 140,563 | 175,456 |
| Net book value | | | | |
| At 30 June 2014 | 53,987 | 141,488 | 86,605 | 282,080 |
| At 30 June 2013 | 53,987 | 140,443 | 88,375 | 282,805 |

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

| Group | Long leasehold investment properties £'000 | Long leasehold land and buildings £'000 | Plant and equipment £'000 | Total £'000 |
|-------------------------------------|--|---|---------------------------------|----------------|
| Historical cost | | | | |
| At 30 June 2014 | 6,876 | 112,556 | 227,168 | 346,600 |
| Accumulated historical depreciation | - | (34,893) | (140,563) | (175,456) |
| Net book value | | | | |
| At 30 June 2014 | 6,876 | 77,663 | 86,605 | 171,144 |
| At 30 June 2013 | 6,876 | 76,618 | 88,375 | 171,869 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

10. TANGIBLE FIXED ASSETS (continued)

The cost of tangible fixed assets includes £279,000 (2013: £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 2014. The total valuation was £53,987,000 (2013: £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 accounts. This revaluation relates to the land value only. Long leasehold land and buildings includes an amount of £111,516,000 (2013: £111,516,000) relating to long leasehold land which is not depreciated.

| Company | Plant and equipment £'000 |
|--------------------------|---------------------------------|
| Cost or valuation | |
| At 1 July 2013 | 217 |
| Additions | 1 |
| | <hr/> |
| At 30 June 2014 | 218 |
| | <hr/> |
| Depreciation | |
| At 1 July 2013 | 169 |
| Charge for the year | 16 |
| | <hr/> |
| At 30 June 2014 | 185 |
| | <hr/> |
| Net book value | |
| At 30 June 2014 | 33 |
| | <hr/> |
| At 30 June 2013 | 48 |
| | <hr/> |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

11. INVESTMENTS

| Group | Other investments £'000 |
|----------------------------------|--|
| Cost | |
| At 1 July 2013 | 4,070 |
| Additions | 1,066 |
| Disposals | (269) |
| At 30 June 2014 | 4,867 |
| Provisions for impairment | |
| At 1 July 2013 | 332 |
| Charge in year | (4) |
| Disposals | (245) |
| At 30 June 2014 | 83 |
| Net book value | |
| At 30 June 2014 | 4,784 |
| At 30 June 2013 | 3,738 |

| Company | Shares in subsidiary undertakings £'000 | Other investments £'000 | Total £'000 |
|----------------------------------|--|--|------------------------|
| Cost | | | |
| At 1 July 2013 | 50,064 | 4,070 | 54,134 |
| Additions | - | 1,066 | 1,066 |
| Disposals | - | (269) | (269) |
| At 30 June 2014 | 50,064 | 4,867 | 54,931 |
| Provisions for impairment | | | |
| At 1 July 2013 | - | 332 | 332 |
| Charge in year | - | (4) | (4) |
| Disposals | - | (245) | (245) |
| At 30 June 2014 | - | 83 | 83 |
| Net book value | | | |
| At 30 June 2014 | 50,064 | 4,784 | 54,848 |
| At 30 June 2013 | 50,064 | 3,738 | 53,802 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

11. INVESTMENTS (continued)

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

| Subsidiary undertaking | Country of incorporation | Holding | Proportion held | Nature of business |
|---|--------------------------|----------------------|-----------------|--|
| First Corporate Holdings Limited | England and Wales | Ordinary shares | 100% | Investment company |
| First Corporate Shipping Limited * | England and Wales | Ordinary shares | 53% | Provision of port facilities, cargo handling, storage and rental of properties |
| First Corporate Shipping Limited * | England and Wales | Preferred 'B' shares | 53% | Provision of port facilities, cargo handling, storage and rental of properties |
| The Bristol Port Company (Trustees) Limited * | England and Wales | Ordinary shares | 53% | Pension fund trustee |
| The Bristol Bulk Company Limited * | England and Wales | Ordinary shares | 40% | Dormant |
| Crestcredit Projects Limited * | England and Wales | Ordinary shares | 53% | Estate management |
| Bristol and Gloucester Pilot Boat Company Limited * | England and Wales | Ordinary shares | 53% | Dormant |
| Agricultural Bulk Services (Bristol) Limited * | England and Wales | Ordinary shares | 53% | Dormant |

* denotes that the holdings are indirectly held.

Included within other investments of the company and the group are investments in shares with a cost of £145,000 (2013: £145,000) which are quoted on the London Stock Exchange. The market value of these shares at 30 June 2014 was £167,000 (2013: £179,000).

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

12. DEBTORS

| | Group | | Company | |
|---------------------------------|---------------|--------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 7,403 | 5,341 | 7 | - |
| Amounts owed by group companies | - | - | 32,664 | 32,670 |
| Other debtors | 1,243 | 673 | 573 | 427 |
| Prepayments and accrued income | 3,072 | 1,305 | - | - |
| | <u>11,718</u> | <u>7,319</u> | <u>33,244</u> | <u>33,097</u> |

All debtors fall due within one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---------------|---------------|--------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 |
| Loans (note 15) | 2,102 | 2,102 | 1,877 | 1,877 |
| Trade creditors | 4,054 | 2,777 | - | - |
| Amounts owed to subsidiary undertakings | - | - | 10 | 10 |
| Current corporation tax | 4,300 | 2,158 | - | - |
| Other taxes and social security costs | 874 | 1,397 | 15 | 14 |
| Other creditors | 1,761 | 1,159 | - | - |
| Accruals and deferred income | 10,918 | 12,099 | - | 2 |
| Dividends | 4,489 | 3,463 | - | - |
| | <u>28,498</u> | <u>25,155</u> | <u>1,902</u> | <u>1,903</u> |

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

| Group | 2014 | 2013 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Loans (note 15) | 55,507 | 56,932 |
| Other creditors | 1,027 | 1,027 |
| Accruals and deferred income (note 16) | 5,886 | 6,393 |
| | <u>62,420</u> | <u>64,352</u> |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

15. BANK LOANS

| Group | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Wholly repayable within five years: | | |
| - bank term loan and revolving credit facility | 53,500 | 55,000 |
| - bank loans | 4,127 | 4,352 |
| | <u>57,627</u> | <u>59,352</u> |
| Included in creditors - amounts falling due within one year (note 13) | (2,102) | (2,102) |
| Financing cost carried forward | (18) | (318) |
| | <u>55,507</u> | <u>56,932</u> |
| Included in creditors - amounts falling due after more than one year (note 14) | | |
| Amounts repayable by instalments: | | |
| - within one year | 2,102 | 2,102 |
| - within one to two years | 225 | 225 |
| - within two to five years | 54,175 | 55,675 |
| - after five years | 1,125 | 1,350 |
| | <u>57,627</u> | <u>59,352</u> |
| Bank loans secured on land and buildings, repayable by instalments: | | |
| - by 2015, variable interest rate linked to LIBOR | 2,102 | 2,102 |
| - by 2016, variable interest rate linked to LIBOR | 225 | 225 |
| - by 2017, variable interest rate linked to LIBOR | 225 | 225 |
| - by 2024, variable interest rate linked to LIBOR | 1,575 | 1,800 |
| | <u>4,127</u> | <u>4,352</u> |

The bank term loan and revolving credit facility, of which £53,500,000 (2013: £55,000,000) 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. 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 (2013: £50,000,000), have fixed interest payments at an average rate of 4.100% (2013: 4.420%) for periods up until June 2018 (2013: June 2017) and have floating interest receipts at LIBOR. The fair value of interest rate swap contracts open at the year-end is a liability of £4,437,000 (2013: a liability of £6,629,000). 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 2014

16. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is:

| Group | £'000 | |
|--|--------------|--------------|
| Government grant | | |
| At 1 July 2013 | 6,900 | |
| Release to profit and loss account | (507) | |
| At 30 June 2014 | 6,393 | |
| | 2014 | 2013 |
| | £'000 | £'000 |
| The government grant balance is analysed as follows: | | |
| - due within one year | 507 | 507 |
| - due after more than one year (note 14) | 5,886 | 6,393 |
| | 6,393 | 6,900 |

17. PROVISIONS FOR LIABILITIES

| Group | £'000 | |
|--|--------------|--------------|
| Deferred taxation | | |
| At 1 July 2013 | 4,805 | |
| Credit to profit and loss account | (791) | |
| At 30 June 2014 | 4,014 | |
| | 2014 | 2013 |
| | £'000 | £'000 |
| Analysis of deferred tax balances | | |
| Capital allowances in excess of depreciation | 4,014 | 4,805 |

18. SHARE CAPITAL

| | 2014 | 2013 |
|---|------|------|
| | £ | £ |
| Authorised | | |
| 200 Ordinary shares of £1 each | 200 | 200 |
| Allotted, called up and fully paid | | |
| 167 Ordinary shares of £1 each | 167 | 167 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

19. MOVEMENT IN RESERVES

| | Revaluation reserve £'000 | Capital reserve £'000 | Other reserve £'000 | Profit and loss account £'000 |
|------------------------------------|---------------------------------|-----------------------------|---------------------------|--|
| Group | | | | |
| At 1 July 2013 | 58,796 | 14,845 | 1,158 | 26,919 |
| Profit for the financial year | - | - | - | 6,238 |
| FRS17*: | | | | |
| - movement on actuarial deficit | - | - | - | 257 |
| - movement on deferred tax thereon | - | - | - | (50) |
| Amortisation of negative goodwill | - | (398) | - | 398 |
| Dividends | - | - | - | (2,050) |
| At 30 June 2014 | <u>58,796</u> | <u>14,447</u> | <u>1,158</u> | <u>31,712</u> |

* Financial Reporting Standard 17 'Retirement Benefits'.

| | Profit and loss account £'000 |
|-------------------------------|--|
| Company | |
| At 1 July 2013 | 85,688 |
| Profit for the financial year | 6,144 |
| Dividends | (2,050) |
| At 30 June 2014 | <u>89,782</u> |

Of the revaluation reserve, £47,139,000 (2013: £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 £6,144,000 (2013: £3,519,000).

20. MINORITY INTEREST

| | £'000 |
|--|---------------|
| At 1 July 2013 | 87,359 |
| Minority interest share of other reserves | 184 |
| Minority interest in profit for the year | 7,430 |
| Dividends paid to the minority during the year | (7,346) |
| At 30 June 2014 | <u>87,627</u> |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

21. CAPITAL COMMITMENTS

| Group | 2014 £'000 | 2013 £'000 |
|---------------------------------|---------------|---------------|
| Contracted for but not provided | 1,897 | 1,015 |

The company had no capital commitments at 30 June 2014 or at 30 June 2013.

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 2014 by a qualified independent actuary.

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| The amounts recognised in the balance sheet are as follows: | | |
| Present value of funded liabilities | 88,001 | 84,771 |
| Fair value of scheme assets | (72,945) | (68,712) |
| Deficit | 15,056 | 16,059 |
| Related deferred tax asset | (3,011) | (3,694) |
| Net liability | 12,045 | 12,365 |

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

| | | |
|--|--------------|--------------|
| Current service cost | 1,193 | 927 |
| Interest cost | 3,777 | 3,233 |
| Expected return on pension scheme assets | (4,778) | (4,150) |
| Total | 192 | 10 |
| Actual return on scheme assets | 5,904 | 8,578 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

22. PENSION COMMITMENTS (continued)

| | 2014 £'000 | 2013 £'000 |
|--|----------------|----------------|
| Changes in amounts recognised in the statement of total recognised gains and losses are as follows: | | |
| Opening cumulative STRGL | (8,702) | (5,454) |
| Actuarial losses | (5) | (6,128) |
| Minority interest's share of actuarial losses | 2 | 2,880 |
| Closing cumulative STRGL | (8,705) | (8,702) |
| Changes in the present value of the defined benefit liabilities are as follows: | | |
| Opening defined benefit liability | 84,771 | 72,703 |
| Service cost | 1,193 | 927 |
| Employee contributions | 358 | 375 |
| Interest cost | 3,777 | 3,233 |
| Other actuarial losses | 1,131 | 10,556 |
| Benefits paid | (3,229) | (3,023) |
| Closing defined benefit liability | 88,001 | 84,771 |
| Changes in the fair value of scheme assets are as follows: | | |
| Opening fair value of scheme assets | 68,712 | 61,580 |
| Expected return | 4,778 | 4,150 |
| Actuarial gains | 1,126 | 4,428 |
| Contributions by employer | 1,200 | 1,202 |
| Contributions by members | 358 | 375 |
| Benefits paid | (3,229) | (3,023) |
| Closing fair value of scheme assets | 72,945 | 68,712 |

The group's contributions during the period amounted to £1,200,000 (2013: £1,202,000) 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 2014

22. PENSION COMMITMENTS (continued)

| | 2014 | 2013 |
|--|------|------|
| Fair values of scheme assets as a percentage of total scheme assets are as follows: | | |
| Equities | 48% | 47% |
| Gilts and bonds | 20% | 21% |
| Hedge funds | 30% | 31% |
| Cash and other | 2% | 1% |

Disclosure of principal assumptions:

| | | |
|---|----------|----------|
| Discount rate at 30 June | 4.10% | 4.50% |
| Expected return on scheme assets at 30 June | 6.54% | 7.04% |
| Future salary increases | 2.40% | 3.50% |
| Rates of increase to pensions in payment | | |
| Accrued before 6 April 1997 | 2.40% | 2.60% |
| Accrued after 5 April 1997, before April 2005 | 2.40% | 2.60% |
| Accrued after April 2005 | 2.40% | 2.50% |
| Age at retirement | 63 | 63 |
| Mortality | S1P | S1N |
| Projection | CMI 2013 | CMI 2009 |
| Loading | Nil | Nil |

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

| | 2014 | 2013 |
|-----------------------|-------|-------|
| Equities | 7.50% | 8.00% |
| Absolute return funds | 7.50% | 8.00% |
| Corporate bonds | 4.10% | 4.50% |
| Index linked bonds | 3.30% | 3.30% |
| Cash and other | 0.50% | 0.50% |

| | 2014 | 2013 |
|---|------------|------------|
| Weighted average life expectancy to determine benefit obligations: | | |
| Male life expectancy | | |
| Retiring at age 65 now | 21.8 years | 21.7 years |
| Retiring at age 65 in 20 years | 23.5 years | 23.4 years |
| Female life expectancy | | |
| Retiring at age 65 now | 23.7 years | 23.6 years |
| Retiring at age 65 in 20 years | 25.6 years | 25.5 years |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

22. PENSION COMMITMENTS (continued)

Historical pension scheme information

| | 2014 £'000 | 2013 £'000 | 2012 £'000 | 2011 £'000 | 2010 £'000 |
|--|---------------|---------------|---------------|---------------|---------------|
| Present value of funded liabilities | 88,001 | 84,771 | 72,703 | 68,005 | 77,711 |
| Fair value of scheme assets | (72,945) | (68,712) | (61,580) | (63,380) | (57,080) |
| Deficit | 15,056 | 16,059 | 11,123 | 4,625 | 20,631 |
| Experience adjustments on scheme liabilities | (1,360) | (168) | (1,053) | 989 | (874) |
| Experience adjustments on scheme assets | 1,126 | 4,428 | (4,637) | 3,604 | 2,979 |

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 £604,000 (2013: £490,000) and no amounts were outstanding at the year-end (2013: £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 2014 by a qualified independent actuary.

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| The amounts recognised in the balance sheet are as follows: | | |
| Present value of funded liabilities | 22,826 | 22,745 |
| Fair value of scheme assets | (13,219) | (12,712) |
| Deficit | 9,607 | 10,033 |
| Related deferred tax liability | 98 | - |
| Net liability | 9,705 | 10,033 |

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

| | | |
|--|------------|---------------|
| Current service cost | 184 | - |
| Interest cost | 960 | - |
| Expected return on pension scheme assets | (598) | - |
| Initial recognition of share of deficit | - | 10,259 |
| Total | 546 | 10,259 |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

22. PENSION COMMITMENTS (continued)

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Actual return on scheme assets | 1,026 | - |
| Changes in amounts recognised in the statement of total recognised gains and losses are as follows: | | |
| Actuarial gains | 489 | - |
| Minority interest's share of actuarial losses | (230) | - |
| Closing cumulative STRGL | 259 | - |
| Changes in the present value of the defined benefit liabilities are as follows: | | |
| Opening defined benefit liability | 22,745 | - |
| Service cost | 184 | - |
| Employee contributions | 289 | - |
| Interest cost | 960 | - |
| Other actuarial gains | (61) | - |
| Benefits paid | (1,291) | - |
| Initial recognition of share of liability | - | 22,745 |
| Closing defined benefit liability | 22,826 | 22,745 |
| Changes in the fair value of scheme assets are as follows: | | |
| Opening fair value of scheme assets | 12,712 | - |
| Expected return | 598 | - |
| Actuarial gains | 428 | - |
| Contributions by employer | 483 | 226 |
| Contributions by members | 289 | - |
| Benefits paid | (1,291) | - |
| Initial recognition of share of assets | - | 12,486 |
| Closing fair value of scheme assets | 13,219 | 12,712 |

The group's contributions during the period amounted to £483,000 (2013: £226,000) and the agreed group contribution rate for the coming year is £578,000.

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

22. PENSION COMMITMENTS (continued)

| | 2014 | 2013 |
|--|-------|-------|
| Fair values of scheme assets as a percentage of total scheme assets are as follows: | | |
| 'Growth' assets | | |
| Global equities | 16% | 17% |
| Fund of hedge funds | 17% | 16% |
| Diversified growth funds | 16% | n/a |
| 'Matching' assets | | |
| Corporate bonds | 39% | 58% |
| Gilts | 10% | n/a |
| Cash and other | 2% | 9% |
| | <hr/> | <hr/> |
| Target asset allocation: | | |
| '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 2014 is based on the PNPF's current asset allocation and the yields currently available in the appropriate investment markets; these are shown below:

| | 2014 | 2013 |
|---|----------|----------|
| Global equities | 7.20% | 7.50% |
| Fund of hedge funds | 6.20% | 6.50% |
| Diversified growth funds | 6.20% | 0.00% |
| Corporate bonds | 4.10% | 4.10% |
| Gilts | 3.30% | 0.00% |
| Cash and other | 0.90% | 0.70% |
| | <hr/> | <hr/> |
| Disclosure of principal assumptions: | | |
| Discount rate at 30 June | 4.10% | 4.30% |
| Expected return on scheme assets at 30 June | 4.90% | 4.80% |
| Future salary increases | 3.80% | 3.90% |
| Rates of increase to pensions in deferment | | |
| Minimum 3% pa | 3.00% | 3.00% |
| Accrued after 5 April 1997, before April 2005 | 2.40% | 2.50% |
| Rates of increase to pensions in payment | | |
| Maximum 5% pa, minimum 0% pa | 3.20% | 3.20% |
| Maximum 5% pa, minimum 3% pa | 3.70% | 3.70% |
| Mortality | 95% S1NA | 95% S1NA |
| Projection | CMI2013 | CMI2010 |
| | +1.25% | +1.25% |
| | <hr/> | <hr/> |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

22. PENSION COMMITMENTS (continued)

| | 2014 | 2013 |
|---|-------------|-------------|
| Weighted average life expectancy to determine benefit obligations: | | |
| Male life expectancy | | |
| Retiring at age 65 now | 22.6 years | 22.8 years |
| Retiring at age 65 in 20 years | 24.4 years | 24.6 years |
| Female life expectancy | | |
| Retiring at age 65 now | 25.0 years | 25.2 years |
| Retiring at age 65 in 20 years | 27.0 years | 27.1 years |

Historical pension scheme information

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Present value of funded liabilities | 22,826 | 22,745 | n/a | n/a | n/a |
| Fair value of scheme assets | (13,219) | (12,712) | n/a | n/a | n/a |
| Deficit | 9,607 | 10,033 | n/a | n/a | n/a |
| Experience adjustments on scheme liabilities | (227) | n/a | n/a | n/a | n/a |
| Experience adjustments on scheme assets | 428 | n/a | n/a | n/a | n/a |

23. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 July 2013 £'000 | Cash flow £'000 | Other non-cash changes £'000 | At 30 June 2014 £'000 |
|--------------------------|-------------------------------------|----------------------------|---|--------------------------------------|
| Cash at bank and in hand | 5,766 | (133) | - | 5,633 |
| Debt due within one year | (2,102) | 225 | (225) | (2,102) |
| Debt due after one year | (56,932) | 1,500 | (75) | (55,507) |
| | (53,268) | 1,592 | (300) | (51,976) |

FIRST CORPORATE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

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

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| (Decrease)/increase in cash in the year | (133) | 13 |
| Draw down of term loan and revolving credit facilities | (7,000) | (2,000) |
| Cash outflow from decrease in loan and lease financing | 8,725 | 11,225 |
| Other non-cash changes | (300) | (300) |
| | <hr/> | <hr/> |
| Movement in net debt in the year | 1,292 | 8,938 |
| Net debt at 1 July | (53,268) | (62,206) |
| | <hr/> | <hr/> |
| Net debt at 30 June | (51,976) | (53,268) |

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 £542,662 (2013: £532,077) from both First Corporate Consultants Limited and David Ord Limited during the year. As at the year-end an amount of £301,811 (2013: £299,285) 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.