

Company Registered Number 02155845

FIRST CORPORATE CONSULTANTS LTD

Annual Report and Consolidated Financial Statements

For the year ended 30 June 2019



FIRST CORPORATE CONSULTANTS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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FIRST CORPORATE CONSULTANTS LTD

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
Statutory Auditor
Bristol
United Kingdom

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 Ltd 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.

	2019	2018
	£’000	£’000
Turnover	88,603	89,000
Operating profit excluding property revaluations	24,722	27,860
Profit before taxation	24,260	26,155
Profit after taxation	18,676	21,055
Profit after taxation and non-controlling interest	8,561	10,116
Net cash inflow from operating activities	33,246	33,015

Turnover decreased marginally on the prior year as increases and decreases across the group’s various trade lines virtually matched. Coal volumes continue to be depressed as a result of the government’s energy policy. Cost of sales increased by 5% due to increases in wages, pension, repairs and maintenance costs, whereas administration expenses have remained reasonably constant. Operating profit (excluding property revaluations) has decreased by 4% from the prior year. Cash inflow from operating activities was £33,246,000 (2018: £33,015,000); of this £18,250,000 was used for capital expenditure (2018: £12,921,000). Through the year, a net total of £1,500,000 was drawn against the RBS facility, leaving a balance of £61,500,000 at the end of the financial year.

An interim dividend of £3,044,000 (2018: £1,050,000) was paid during the year and no dividend (2018: £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. In 2016, the group was granted a ten-year extension to the Harbour Revision Order. Further details are given in note 11.

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

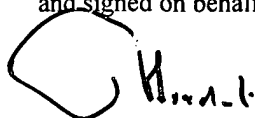
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group is financed through internally generated cash, term loans, mortgages and revolving credit. The group has put in place banking facilities which are sufficient for its 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
8 November 2019

FIRST CORPORATE CONSULTANTS LTD

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2019. Financial risk management objectives and policies and future developments are all discussed in the strategic report.

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 as well as the group's responses to those risks and uncertainties. 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

The directors consider the market value of the investment properties each year in conjunction with the group's property agent, North & Letherby Limited. The total valuation was £79,459,000 (2018: £76,344,000). 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.

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.

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 £552,005 (2018: £185,107) and political donations to the Conservative Party of £70,500 (2018: £10,500).

DIVIDENDS

Details of dividends are given in note 10.

RESEARCH AND DEVELOPMENT

Research and development is focused on the development of new projects capable of generating additional revenue and profit.

DIRECTORS

The directors during the year and subsequently were as follows:

J C Mordaunt
T C Mordaunt
Sir David Ord

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

DIRECTORS' REPORT (continued)

AUDITOR

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

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

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

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

T C Mordaunt
Director
8 November 2019

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 LTD

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of First Corporate Consultants Ltd (the "company") and its subsidiaries (the "group"):

- give a true and fair view of the state of the group's and the company's affairs as at 30 June 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated cash flow statement and the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Ethical Standard of the Financial Reporting Council (the "FRC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST CORPORATE CONSULTANTS LTD (CONTINUED)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

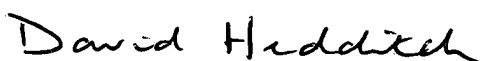
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of these matters.

Use of our report

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.



**David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP**

Statutory Auditor
Bristol, United Kingdom
8 November 2019

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2019

	Note	2019 £'000	2018 £'000
TURNOVER	3	88,603	89,000
Cost of sales		(50,005)	(47,530)
GROSS PROFIT		38,598	41,470
Administration expenses		(14,059)	(14,005)
		24,539	27,465
Revaluation of investment properties	12	3,115	1,276
Other operating income	4	183	395
OPERATING PROFIT		27,837	29,136
Investment income		30	160
Finance costs (net)	5	(3,607)	(3,141)
PROFIT BEFORE TAXATION	6	24,260	26,155
Tax on profit	8	(5,584)	(5,100)
PROFIT AFTER TAXATION		18,676	21,055
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity shareholders of the company		8,561	10,116
Non-controlling interest		10,115	10,939
		18,676	21,055

All results arise from continuing operations.

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR			18,676		21,055
Remeasurement of net defined benefit liability	25	(7,936)		11,435	
Tax relating to components of other comprehensive (expense)/income		1,350		(1,944)	
Other comprehensive (expense)/income			(6,586)		9,491
TOTAL COMPREHENSIVE INCOME			<u>12,090</u>		<u>30,546</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:					
Equity shareholders of the company			5,277		14,849
Non-controlling interest			<u>6,813</u>		<u>15,697</u>
			<u>12,090</u>		<u>30,546</u>

FIRST CORPORATE CONSULTANTS LTD


CONSOLIDATED BALANCE SHEET

At 30 June 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	11		5,680		5,680
Tangible assets	12		318,222		309,318
Investments	13		10,653		8,403
			<u>334,555</u>		<u>323,401</u>
CURRENT ASSETS					
Stock	14	532		919	
Debtors - due within one year	15	8,429		11,561	
Debtors - due after more than one year	15	3,897		2,520	
Cash at bank and in hand		6,094		5,394	
		<u>18,952</u>		<u>20,394</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	<u>(27,280)</u>		<u>(30,972)</u>	
NET CURRENT LIABILITIES			<u>(8,328)</u>		<u>(10,578)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			326,227		312,823
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		(66,523)		(65,052)
PROVISIONS FOR LIABILITIES	20		(21,142)		(20,340)
NET ASSETS EXCLUDING PENSION LIABILITY			238,562		227,431
NET PENSION LIABILITY	25		(29,159)		(21,234)
NET ASSETS INCLUDING PENSION LIABILITY			<u>209,403</u>		<u>206,197</u>
CAPITAL AND RESERVES					
Called-up share capital	23		-		-
Revaluation reserve			60,370		59,271
Capital reserve			11,726		12,100
Other reserve			1,072		1,072
Profit and loss account			38,532		37,024
Total equity shareholders' funds			<u>111,700</u>		<u>109,467</u>
Non-controlling interest			97,703		96,730
TOTAL CAPITAL EMPLOYED			<u>209,403</u>		<u>206,197</u>

The financial statements of First Corporate Consultants Ltd, registered number 02155845, were approved by the Board of Directors and authorised for issue on 8 November 2019.

Signed on behalf of the Board of Directors



T C Mordaunt
Director

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 June 2019

	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 1 July 2017	55,927	11,883	1,021	27,430	96,261	97,401	193,662
Profit for the financial year	-	-	-	10,116	10,116	10,939	21,055
Remeasurement of net defined benefit liability (note 25)	-	-	-	5,702	5,702	5,733	11,435
Tax relating to items of other comprehensive income	-	-	-	(969)	(969)	(975)	(1,944)
Total comprehensive income	-	-	-	14,849	14,849	15,697	30,546
Buyback of equity shares (note 13)	-	-	-	-	-	(9,726)	(9,726)
Impact of buyback on non- controlling interest	2,760	591	51	(3,995)	(593)	593	-
Revaluations (net of deferred tax)	584	-	-	(584)	-	-	-
Amortisation of negative goodwill	-	(374)	-	374	-	-	-
Dividends paid on equity shares (note 10)	-	-	-	(1,050)	(1,050)	(7,235)	(8,285)
At 30 June 2018	59,271	12,100	1,072	37,024	109,467	96,730	206,197
Profit for the financial year	-	-	-	8,561	8,561	10,115	18,676
Remeasurement of net defined benefit liability (note 25)	-	-	-	(3,957)	(3,957)	(3,979)	(7,936)
Tax relating to items of other comprehensive income	-	-	-	673	673	677	1,350
Total comprehensive income	-	-	-	5,277	5,277	6,813	12,090
Revaluations (net of deferred tax)	1,099	-	-	(1,099)	-	-	-
Amortisation of negative goodwill	-	(374)	-	374	-	-	-
Dividends paid on equity shares (note 10)	-	-	-	(3,044)	(3,044)	(5,840)	(8,884)
At 30 June 2019	60,370	11,726	1,072	38,532	111,700	97,703	209,403

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 15.

FIRST CORPORATE CONSULTANTS LTD

COMPANY BALANCE SHEET

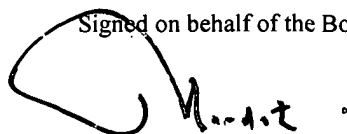
At 30 June 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	12		285		14
Investments	13		60,717		58,467
			<u>61,002</u>		<u>58,481</u>
CURRENT ASSETS					
Debtors - due within one year	15	34,139		35,422	
Cash at bank and in hand		<u>1,702</u>		<u>1,748</u>	
		35,841		37,170	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	<u>(55)</u>		<u>(158)</u>	
NET CURRENT ASSETS			35,786		37,012
NET ASSETS			<u>96,788</u>		<u>95,493</u>
CAPITAL AND RESERVES					
Called-up share capital	23		-		-
Revaluation reserve			289		365
Profit and loss account			<u>96,499</u>		<u>95,128</u>
SHAREHOLDERS' FUNDS			<u>96,788</u>		<u>95,493</u>

The profit for the financial year of First Corporate Consultants Ltd (the parent company) was £4,339,000 (2018: £6,498,000). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income are presented in respect of the parent company

The financial statements of First Corporate Consultants Ltd, registered number 02155845, were approved by the Board of Directors and authorised for issue on 8 November 2019.

Signed on behalf of the Board of Directors



T C Mordaunt
Director

FIRST CORPORATE CONSULTANTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY At 30 June 2019

	Share capital £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2017	-	236	89,809	90,045
Profit for the financial year	-	-	6,498	6,498
Total comprehensive income	-	-	6,498	6,498
Revaluations (net of deferred tax)	-	129	(129)	-
Dividends paid on equity shares (note 10)	-	-	(1,050)	(1,050)
At 30 June 2018	-	365	95,128	95,493
Profit for the financial year	-	-	4,339	4,339
Total comprehensive income	-	-	4,339	4,339
Revaluations (net of deferred tax)	-	(76)	76	-
Dividends paid on equity shares (note 10)	-	-	(3,044)	(3,044)
At 30 June 2019	-	289	96,499	96,788

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2019

	Note	2019 £'000	2018 £'000
Net cash flows from operating activities	Below	33,246	33,015
Cash flows from investing activities			
Purchase of tangible fixed assets		(18,250)	(12,921)
Proceeds from sale of tangible fixed assets		212	1,587
Interest received		22	11
Investment income		30	160
Purchase of investments		(2,485)	(1,546)
Proceeds from sale of investments		34	50
Net cash flows from investing activities		(20,437)	(12,659)
Cash flows from financing activities			
Dividends paid		(3,044)	(1,050)
Interest paid		(3,136)	(4,033)
Repayments of borrowings		(12,725)	(10,225)
Drawdown of borrowings		14,000	8,000
Subsidiary dividends paid to non-controlling interest		(7,204)	(4,215)
Buyback of shares		-	(9,726)
Net cash flows from financing activities		(12,109)	(21,249)
Net increase/(decrease) in cash and cash equivalents		700	(893)
Cash and cash equivalents at beginning of year		5,394	6,287
Cash and cash equivalents at end of year		6,094	5,394

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

	2019 £'000	2018 £'000
Operating profit	27,837	29,136
Depreciation	12,147	11,743
Revaluation of investment properties	(3,115)	(1,276)
Amortisation of negative goodwill	-	(29)
Impairment of investments	125	-
Movement in fair value of investments	76	(129)
Profit on disposal of tangible fixed assets	(9)	(222)
Amortisation of government grant	(480)	(479)
Adjustment for pension funding	(606)	(749)
Decrease in stock and work in progress	387	629
Decrease/(increase) in debtors	3,132	(2,048)
(Decrease)/increase in creditors	(1,152)	1,529
UK corporation tax paid	(5,096)	(5,090)
Net cash flows from operating activities	33,246	33,015

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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.

General information and basis of accounting

First Corporate Consultants Ltd is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act and registered in England and Wales. 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 have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("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 Ltd 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.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably.

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 into administrative expenses 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. 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 earlier years, prior to the introduction of Financial Reporting Standard 15 ("FRS 15"), have not been revalued during the year. The transitional provisions of FRS 15 (and subsequently FRS 102) were applied in earlier years such that the carrying value relating to the previous valuation performed as at 30 June 1997 has been used as the deemed cost. The cost model of accounting has subsequently been, and continues to be, applied. 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 in consultation with a suitably qualified professional. All unrealised changes in fair value of investment properties are recognised in the profit and loss account and subsequently transferred to the revaluation reserve, net of deferred tax. Realised gains and losses and any permanent deficits are recognised in the profit and loss account and any previously revalued amount is reversed out of the revaluation reserve. 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 2019

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 and company's balance sheet when the group or company 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 or the company 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 (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 or the company 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets and liabilities (continued)

Financial assets are derecognised when:

- a. the contractual rights to the cash flows from the financial asset expire or are settled;
- b. the group or the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c. the group or the company, 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.

(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 and the company use derivative financial instruments to reduce exposure to interest rate movements. The group and the company do 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.

Leases

(i) The group and the company as lessor

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

(ii) The group and the company as lessee

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. ACCOUNTING POLICIES (continued)

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 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.

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 and the company'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.

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of their value in use to the group. 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. The future cash flows associated with a Deep Sea Container Terminal ("DSCT") constructed pursuant to the Harbour Revision Order ("HRO") disclosed in note 11 are significantly greater than the capitalised costs of obtaining that HRO. The group retains the intention for the DSCT to be constructed when economic conditions are right.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

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 to support the determination of fair value. Further information regarding investment properties is in note 12.

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 main subsidiary 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Turnover	81,086	81,039	7,517	7,961	88,603	89,000
Operating profit	20,560	21,393	7,277	7,743	27,837	29,136
Investment income					30	160
Net interest					(3,607)	(3,141)
Profit before taxation					24,260	26,155

FIRST CORPORATE CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4. OTHER OPERATING INCOME

	2019 £'000	2018 £'000
Profit on sale of fixed assets and investments	9	222
Sale of materials	64	47
Sundry operating income	110	126
	<u>183</u>	<u>395</u>

5. FINANCE COSTS (NET)

	2019 £'000	2018 £'000
Interest receivable and similar income		
Interest receivable	<u>22</u>	<u>11</u>
Interest payable and similar charges		
Bank loans and overdrafts wholly repayable within five years	2,364	3,718
Amortisation of capitalised finance costs	220	220
Change in fair value of derivative financial instruments	450	(1,767)
	<u>3,034</u>	<u>2,171</u>
Interest payable	595	981
Finance charges associated with defined benefit pension schemes		
	<u>3,629</u>	<u>3,152</u>
Total interest payable		
	<u>3,607</u>	<u>3,141</u>
Total finance costs (net)		

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

6. PROFIT BEFORE TAXATION

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

	2019	2018
	£'000	£'000
Depreciation of owned fixed assets (note 12)	12,147	11,743
Amortisation of negative goodwill (note 11)	-	(29)
Profit on disposal of tangible fixed assets and investments	(9)	(222)
Amortisation of government grant (note 19)	(480)	(479)
Operating lease payments	190	171
Stock recognised as an expense	459	744
Fees payable to the company's auditor:		
- for the audit of the company's annual financial statements	3	2
- for the audit of the company's subsidiaries pursuant to legislation	58	58
- total audit fees	61	60
- tax services	57	66
	<hr/>	<hr/>

7. INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES

	2019	2018
	£'000	£'000
Directors		
Emoluments for qualifying services	882	842
Aggregate of emoluments (excluding pension contributions) of the highest paid director	572	574
	<hr/>	<hr/>

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
Group		
Wages and salaries	24,566	21,996
Social security costs	2,280	2,205
Other pension costs	2,523	2,074
	<hr/>	<hr/>
	29,369	26,275
	<hr/>	<hr/>
Company		
Wages and salaries	44	41
Social security costs	10	10
	<hr/>	<hr/>
	54	51
	<hr/>	<hr/>

FIRST CORPORATE CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

7. INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES (continued)

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

	No.	No.
Group		
Port operations	582	562
Administration and general	60	59
	<u>642</u>	<u>621</u>
Company		
Administration and general	<u>2</u>	<u>2</u>

The average number of employees disclosed is the monthly average number in line with the requirements of the Companies Act.

8. TAX ON PROFIT

	Note	2019 £'000	2018 £'000
Current tax on profit			
UK corporation tax on profits in the year		5,008	5,324
Adjustment in respect of prior years		(199)	(727)
		<u>4,809</u>	<u>4,597</u>
Deferred tax			
Timing differences, origination and reversal		854	161
Impact of change in tax rate		(79)	18
Adjustment in respect of prior years		-	324
Total deferred tax	20	<u>775</u>	<u>503</u>
Tax on profit		<u>5,584</u>	<u>5,100</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

8. TAX ON PROFIT (continued)

Factors affecting tax charge for the year

	2019 £'000	2018 £'000
Profit before taxation	24,260	26,155
Tax at 19% (2018: 19%) thereon	4,609	4,969
Effects of:		
- non-taxable income and expenses not deductible for tax purposes	663	562
- timing differences relating to fixed assets	(278)	(215)
- capital gains	14	10
- utilisation of tax losses	-	(2)
Adjustment in respect of prior years	(199)	(727)
Deferred tax movements in the year (see above)	775	503
Tax on profit	5,584	5,100

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. The Finance Act 2016 further reduced the main rate of corporation tax to 17% from 1 April 2020. Therefore, the corporation tax rate applicable for the period was 19%. 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 £4,339,000 (2018: £6,498,000). 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.

10. DIVIDENDS

	2019 £'000	2018 £'000
Equity shares		
Interim paid, £18,227 per ordinary share (2018: £6,287)	3,044	1,050
Final declared, £nil per ordinary share (2018: £nil)	-	-
	3,044	1,050

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

11. INTANGIBLE FIXED ASSETS

Group	Harbour Revision Order £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 July 2018 and at 30 June 2019	5,680	(709)	4,971
Amortisation			
At 1 July 2018 and at 30 June 2019	-	(709)	(709)
Net book value			
At 30 June 2019	5,680	-	5,680
At 30 June 2018	5,680	-	5,680

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. In 2016, the group was granted a ten-year extension to the Harbour Revision Order.

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 2018	76,344	195,357	254,394	526,095
Additions	-	2,146	15,993	18,139
Disposals	-	(152)	(1,094)	(1,246)
Revaluations	3,115	-	-	3,115
At 30 June 2019	79,459	197,351	269,293	546,103
Depreciation				
At 1 July 2018	-	43,333	173,444	216,777
Charge for the year	-	1,964	10,183	12,147
Disposals	-	-	(1,043)	(1,043)
At 30 June 2019	-	45,297	182,584	227,881
Net book value				
At 30 June 2019	79,459	152,054	86,709	318,222
At 30 June 2018	76,344	152,024	80,950	309,318

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

12. TANGIBLE FIXED ASSETS (continued)

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 2019	6,188	133,528	269,293	409,009
Accumulated historical depreciation	-	(45,297)	(182,584)	(227,881)
Net book value				
At 30 June 2019	6,188	88,231	86,709	181,128
At 30 June 2018	6,188	88,201	80,950	175,339

The cost of tangible fixed assets includes £279,000 (2018: £279,000) for the cumulative cost of interest paid in respect of the construction of certain assets. The amount reclassified from intangible fixed assets relates to option fees paid in previous years where the option to purchase the land has been exercised during the year.

At the year-end, the investment properties were valued at open market value by the directors in consultation with the group's independent property agent, North & Letherby Limited. The valuation was based on an assessment of market rents and yields for similar properties with comparable uses and totalled £79,459,000 (2018: £76,344,000). 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 valuation was 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 transitional provisions of FRS 15 (and subsequently FRS 102) have been applied and the carrying value relating to the previous valuation performed as at 30 June 1997 has been carried forward in this year's financial statements as the deemed cost. This revaluation relates to the land value only.

As set out in note 3, property rental income earned during the year was £7,517,000 (2018: £7,961,000). No contingent rents have been recognised as income in the current or prior year. Leases are granted on investment properties on terms which vary depending on the nature of the property and the requirements of the tenant and the company. The length of leases ranges from less than one to 150 years. Where renewal rights exist, these are either statutory or contractual in nature.

FIRST CORPORATE CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

12. TANGIBLE FIXED ASSETS (continued)

At 30 June 2019, the group had contracted with tenants for the following future minimum lease payments:

	2019 £'000	2018 £'000
Group as lessor		
- within one year	6,109	5,987
- between one and five years	21,908	21,551
- after five years	126,255	125,610
	<u>154,272</u>	<u>153,148</u>

Company	Plant and equipment £'000
Cost or valuation	
At 1 July 2018	99
Additions	275
	<u>374</u>
At 30 June 2019	
Depreciation	
At 1 July 2018	85
Charge for the year	4
	<u>89</u>
At 30 June 2019	
Net book value	
At 30 June 2019	<u>285</u>
At 30 June 2018	<u>14</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

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 2018		910	2,344	4,473	981	8,708
Additions		100	250	635	1,500	2,485
Disposals		(22)	(74)	-	(12)	(108)
Movement in fair value		(76)	-	-	-	(76)
At 30 June 2019		912	2,520	5,108	2,469	11,009
Provisions for impairment						
At 1 July 2018		-	74	-	231	305
Impairment for the year		-	-	-	125	125
Disposals		-	(74)	-	-	(74)
At 30 June 2019		-	-	-	356	356
Carrying value						
At 30 June 2019		912	2,520	5,108	2,113	10,653
At 30 June 2018		910	2,270	4,473	750	8,403
Company	Shares in subsidiaries £'000	Listed invest- ments £'000	Other invest- ments £'000	Real estate £'000	Loans £'000	Total £'000
Carrying value before impairment						
At 1 July 2018	50,064	910	2,344	4,473	981	58,772
Additions	-	100	250	635	1,500	2,485
Disposals	-	(22)	(74)	-	(12)	(108)
Movement in fair value	-	(76)	-	-	-	(76)
At 30 June 2019	50,064	912	2,520	5,108	2,469	61,073
Provisions for impairment						
At 1 July 2018	-	-	74	-	231	305
Impairment for the year	-	-	-	-	125	125
Disposals	-	-	(74)	-	-	(74)
At 30 June 2019	-	-	-	-	356	356
Carrying value						
At 30 June 2019	50,064	912	2,520	5,108	2,113	60,717
At 30 June 2018	50,064	910	2,270	4,473	750	58,467

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. INVESTMENTS (continued)

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

Subsidiary undertaking	Registered Number	Holding	Proportion held	Nature of business
First Corporate Holdings Limited	04323580	Ordinary shares	100%	Investment company
First Corporate Shipping Limited *	02542406	Ordinary shares	57%	Provision of port facilities, cargo handling, storage and rental of properties
First Corporate Shipping Limited *	02542406	Preferred 'B' shares	57%	Provision of port facilities, cargo handling, storage and rental of properties
The Bristol Port Company (Trustees) Limited *	02616396	Ordinary shares	57%	Pension fund trustee
The Bristol Bulk Company Limited *	02624935	Ordinary shares	57%	Dormant
Crestcredit Projects Limited *	02815762	Ordinary shares	57%	Dormant
Bristol and Gloucester Pilot Boat Company Limited *	02333805	Ordinary shares	57%	Dormant
Agricultural Bulk Services (Bristol) Limited *	01503806	Ordinary shares	57%	Dormant
Bristol Oil and Gas Limited *	09366319	Ordinary shares	57%	Dormant
Erraid Limited **	09567163	Ordinary shares	33%	Property development
Horton Barns Management Limited ***	10822623	N/A	33%	Property management

* 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.

*** Horton Barns Management Limited is a company limited by guarantee and its only member is Erraid Limited. It is exempt from the requirements to audit its accounts under section 479A of the Companies Act 2006. The company, through its holding in Erraid Limited, holds 51% of the voting rights, hence Horton Barns Management Limited is treated as a subsidiary and included within the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. INVESTMENTS (continued)

At the year-end, applications had been made by the company to Companies House to strike off Crestcredit Projects Limited, Bristol and Gloucester Pilot Boat Company Limited and Bristol Oil and Gas Limited. On 24 September 2019, those companies were dissolved and struck off the register.

Each subsidiary undertaking is incorporated in the United Kingdom and registered in England and Wales; the registered office of each is Level 8, 71 Queen Victoria Street, London, EC4V 4AY. As permitted by section 480 of the Companies Act 2006, the individual accounts of the dormant subsidiaries have not been audited.

The fair value of listed investments was determined with reference to the quoted market price at the reporting date. If these investments were sold at their 30 June 2019 values, an estimated tax liability of £55,000 (2018: liability of £69,000) would arise.

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	2019 £'000	2018 £'000
Work in progress	532	919

15. DEBTORS

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts falling due within one year				
Trade debtors	6,834	9,604	-	-
Amounts owed by group undertakings	-	-	33,874	35,119
Other debtors	301	431	265	303
Prepayments and accrued income	1,294	1,526	-	-
	<u>8,429</u>	<u>11,561</u>	<u>34,139</u>	<u>35,422</u>
Amounts falling due after more than one year				
Deferred tax (note 20)	<u>3,897</u>	<u>2,520</u>	<u>-</u>	<u>-</u>

Amounts owed by group undertakings do not bear interest, are unsecured and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Loans (note 18)	225	225	-	-
Derivative financial instruments (note 22)	296	521	-	-
Trade creditors	2,353	2,667	-	-
Amounts owed to group undertakings	-	-	10	10
Current corporation tax	3,158	3,445	-	69
Other taxes and social security costs	1,563	1,249	16	16
Other creditors	3,610	4,485	-	-
Accruals and deferred income	10,930	11,870	29	63
Dividends	5,145	6,510	-	-
	<u>27,280</u>	<u>30,972</u>	<u>55</u>	<u>158</u>

Amounts owed to group undertakings do not bear interest, are unsecured and are repayable on demand. Dividends declared are all in relation to the current financial year and are detailed in note 10.

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

Group	2019	2018
	£'000	£'000
Loans (note 18)	62,400	61,125
Derivative financial instruments (note 22)	675	-
Accruals and deferred income (note 19)	3,448	3,927
	<u>66,523</u>	<u>65,052</u>

18. BANK LOANS

Group	2019	2018
	£'000	£'000
Wholly repayable within five years:		
- bank term loan and revolving credit facility	61,500	60,000
- bank loans	1,125	1,350
	<u>62,625</u>	<u>61,350</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>62,400</u>	<u>61,125</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

18. BANK LOANS (continued)

	2019 £'000	2018 £'000
Amounts repayable by instalments:		
- within one year	225	225
- within one to two years	225	225
- within two to five years	62,175	60,675
- after five years	-	225
	<u>62,625</u>	<u>61,350</u>
Bank loans secured on land and buildings, repayable by instalments:		
- by 2020, variable interest rate linked to LIBOR	225	225
- by 2021, variable interest rate linked to LIBOR	225	225
- by 2022, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	450	675
	<u>1,125</u>	<u>1,350</u>

The bank term loan and revolving credit facility, of which £61,500,000 (2018: £60,000,000) 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. Interest is payable on the bank term loan and revolving credit facility at a margin above 3-month and 1-month LIBOR, respectively, and on the bank loan at a margin above base rate.

19. ACCRUALS AND DEFERRED INCOME

Included within accruals and deferred income is:

Group	£'000	
Government grant		
At 1 July 2018	4,407	
Release to profit and loss account	(480)	
	<u>3,927</u>	
At 30 June 2019		
	<u>3,927</u>	<u>3,927</u>
	2019 £'000	2018 £'000
The government grant balance is analysed as follows:		
- due within one year	480	480
- due after more than one year (note 17)	3,447	3,927
	<u>3,927</u>	<u>4,407</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

20. PROVISIONS FOR LIABILITIES

Group	Assets £'000	Liabilities £'000
Deferred taxation		
At 1 July 2018	2,520	20,340
Charged to profit and loss account	117	892
Charged to other comprehensive income	1,260	(90)
	<hr/>	<hr/>
At 30 June 2019	3,897	21,142
	<hr/>	<hr/>
Reversal of deferred tax expected to occur in the next year		
In relation to derivative financial instruments	50	-
Capital allowances in excess of depreciation	-	(48)
	<hr/>	<hr/>
Total expected reversal of deferred tax	50	(48)
	<hr/>	<hr/>
Analysis of deferred tax balances	2019 £'000	2018 £'000
Deferred tax assets		
In relation to derivative financial instruments	165	99
In relation to retirement benefit obligations	3,732	2,421
	<hr/>	<hr/>
Total deferred tax assets	3,897	2,520
	<hr/>	<hr/>
Deferred tax liabilities		
Capital allowances in excess of depreciation	3,624	3,338
In relation to fixed asset revaluations	16,456	15,851
In relation to gains rolled-over	728	728
In relation to retirement benefit obligations	334	423
	<hr/>	<hr/>
Total deferred tax liabilities	21,142	20,340
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

21. FINANCIAL INSTRUMENTS

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

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Financial assets				
Cash and bank balances	6,094	5,394	1,702	1,748
Measured at undiscounted amount receivable				
- Trade and other debtors (note 15)	7,135	10,035	265	303
- Amounts owed by subsidiary undertakings (note 15)	-	-	33,874	35,119
Measured at cost less impairment				
- Non-listed investments (note 13)	2,520	2,270	2,520	2,270
- Investments in subsidiaries (note 13)	-	-	50,064	50,064
Measured at fair value through the profit and loss				
- Listed investments (note 13)	912	910	912	910
Measured at present value of the future cash flows				
- Loans (note 13)	2,113	750	2,113	750
Total financial assets	18,774	19,359	91,450	91,164
Financial liabilities				
Measured at undiscounted amount payable				
- Trade and other creditors due within one year (note 16)	15,829	18,356	16	85
- Amounts owed to subsidiary undertakings (note 16)	-	-	10	10
Measured at amortised cost				
- Loans payable (note 18)	62,625	61,350	-	-
Measured at fair value through the profit and loss				
- Derivative financial liabilities (note 22)				
due within one year	296	521	-	-
due after one year	675	-	-	-
Total financial liabilities	79,425	80,227	26	95

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

	2019	2018
	£'000	£'000
Interest income and expense		
Total interest income for financial assets at undiscounted amounts	22	11
Total interest (expense) for financial liabilities at amortised cost	(2,364)	(3,718)
Fair value gains		
On financial liabilities measured at fair value through profit or loss (note 22)	(450)	1,767

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

22. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Due within one year		Due after one year	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Liabilities				
- Interest rate swap	296	521	675	-

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 2019:

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
	2019	2018	2019	2018	2019	2018
	%	%	£'000	£'000	£'000	£'000
Less than 1 year	-	4.1%	-	50,000	-	427
2 to 5 years	1.3%	-	50,000	-	971	-
More than 5 years	-	1.3%	-	50,000	-	94

The interest rate swap settles on a quarterly basis. 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 has been valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

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

	2019	2018
	£	£
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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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. FINANCIAL COMMITMENTS

Group	2019 £'000	2018 £'000
Contracted for but not provided – tangible fixed assets	5,739	2,114

The company had no capital commitments at 30 June 2019 or at 30 June 2018.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £'000	2018 £'000
Group as lessee		
- within one year	166	112
- between one and five years	252	252
- after five years	7,382	7,445
	<u>7,800</u>	<u>7,809</u>
Group as lessor*		
- within one year	10,471	9,778
- between one and five years	23,238	27,678
- after five years	30,319	33,112
	<u>64,028</u>	<u>70,568</u>

* These figures exclude amounts receivable under leases on investment properties, which are shown separately in note 12.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

24. FINANCIAL COMMITMENTS (continued)

Leases are granted on operational land and/or buildings to port users. The lease terms vary depending on the nature of the property and the requirements of the customer and the company. The length of leases ranges from less than one to 150 years. Where renewal rights exist, these are either statutory or contractual in nature.

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 2016 and updated to 30 June 2019 by a qualified independent actuary.

Main financial assumptions

	2019	2018
RPI inflation	3.20%	3.10%
CPI inflation	2.20%	2.10%
Discount rate at 30 June	2.30%	2.90%
Future salary increases	2.20%	2.10%
Rates of increase to pensions in payment		
- Accrued before 6 April 1997	2.20%	2.10%
- Accrued after 6 April 1997	2.20%	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 S2Px tables with improvements in line with the CMI 2018 (2018: CMI 2015) projections and a long-term rate of improvement of 1.5% per annum.

	2019	2018
Weighted average life expectancy to determine benefit obligations:		
Male life expectancy		
- Retiring at age 65 now	21 years	22 years
- Retiring at age 65 in 20 years	23 years	24 years
Female life expectancy		
- Retiring at age 65 now	23 years	24 years
- Retiring at age 65 in 20 years	25 years	26 years

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

25. PENSION COMMITMENTS (continued)

	2019 £'000	2018 £'000
Amounts recognised in the balance sheet:		
Present value of defined benefit obligations	108,948	101,313
Fair value of scheme assets	(86,997)	(87,069)
Liability recognised in the balance sheet	<u>21,951</u>	<u>14,244</u>
Amounts recognised in the profit and loss account:		
Current service cost	756	922
Administration expenses	219	191
Past service cost	402	-
Net interest on net liability	417	768
Total recognised in the profit and loss account	<u>1,794</u>	<u>1,881</u>
Amounts recognised in other comprehensive income:		
Asset gains arising during the year	253	1,844
Liability (losses)/gains arising during the year	(7,666)	7,625
Total recognised in other comprehensive income	<u>(7,413)</u>	<u>9,469</u>
Changes in the present value of the defined benefit obligations are as follows:		
Opening defined benefit obligations	101,313	108,721
Service cost	1,158	922
Interest cost	2,901	2,778
Actuarial losses/(gains)	7,666	(7,625)
Employee contributions	259	271
Net benefits paid out	(4,349)	(3,754)
Closing defined benefit obligations	<u>108,948</u>	<u>101,313</u>
Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	87,069	85,389
Interest income	2,484	2,010
Actuarial gains	253	1,844
Contributions by employer	1,500	1,500
Contributions by members	259	271
Net benefits paid out	(4,349)	(3,754)
Administration expenses	(219)	(191)
Closing fair value of scheme assets	<u>86,997</u>	<u>87,069</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

25. PENSION COMMITMENTS (continued)

	2019		2018	
	£'000	%	£'000	%
Analysis of scheme assets by class:				
Equities	39,638	45.6	40,698	46.7
Government bonds	13,581	15.6	12,938	14.9
Corporate bonds	7,095	8.2	6,818	7.8
Hedge funds	24,303	27.9	26,133	30.0
Cash and other	2,380	2.7	482	0.6
Closing fair value of scheme assets	86,997	100.0	87,069	100.0

The group's contributions during the period amounted to £1,500,000 (2018: £1,500,000) and the agreed group contribution rate for the coming year is £1,500,000.

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 £1,146,000 (2018: £1,064,000) and no amounts were outstanding at the year-end (2018: £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 2016. The results of these calculations have been updated to 30 June 2019 by a qualified independent actuary.

Main financial assumptions

	2019	2018
RPI inflation	3.20%	3.10%
CPI inflation	2.20%	2.10%
Discount rate at 30 June	2.30%	2.80%
Future salary increases	3.20%	3.10%
Rates of increase to pensions in payment		
- Maximum 5% pa, minimum 0% pa	3.10%	3.00%
- Maximum 5% pa, minimum 3% pa	3.60%	3.60%
Rates of increase to pensions in deferment		
- Minimum 3% pa	2.20%	2.10%
- Other	2.20%	2.10%

NOTES TO THE FINANCIAL STATEMENTS

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25. PENSION COMMITMENTS (continued)

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: 105% (2018: 105%) of the S2PxA table with improvements in line with the CMI 2018 projections (2018: CMI 2017 projections) and a long-term rate of improvement of 1.00% (2018: 1.25%) per annum.

	2019	2018
Weighted average life expectancy to determine benefit obligations:		
Male life expectancy		
- Retiring at age 65 now	21 years	22 years
- Retiring at age 65 in 20 years	22 years	23 years
Female life expectancy		
- Retiring at age 65 now	23 years	24 years
- Retiring at age 65 in 20 years	24 years	25 years
	<hr/>	<hr/>
	2019	2018
	£'000	£'000
Amounts recognised in the balance sheet:		
Present value of defined benefit obligations	22,101	21,885
Fair value of scheme assets	(14,893)	(14,895)
	<hr/>	<hr/>
Liability recognised in the balance sheet	7,208	6,990
	<hr/>	<hr/>
Amounts recognised in the profit and loss account:		
Current service cost	145	251
Administration expenses	94	86
Net interest on net liability	178	213
	<hr/>	<hr/>
Total recognised in the profit and loss account	417	550
	<hr/>	<hr/>
Amounts recognised in other comprehensive income:		
Asset gains/(losses) arising during the year	72	(153)
Liability (losses)/gains arising during the year	(595)	2,119
	<hr/>	<hr/>
Total recognised in other comprehensive income	(523)	1,966
	<hr/>	<hr/>

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For the year ended 30 June 2019

25. PENSION COMMITMENTS (continued)

	2019 £'000	2018 £'000
Changes in the present value of the defined benefit obligations are as follows:		
Opening defined benefit obligations	21,885	24,136
Service cost	145	251
Interest cost	590	585
Actuarial losses/(gains)	595	(2,119)
Employee contributions	505	488
Net benefits paid out	(1,619)	(1,456)
Closing defined benefit obligations	22,101	21,885
Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	14,895	15,031
Interest income	412	372
Actuarial gains/(losses)	72	(153)
Contributions by employer	722	699
Contributions by members	505	488
Net benefits paid out	(1,619)	(1,456)
Administration expenses	(94)	(86)
Closing fair value of scheme assets	14,893	14,895
	2019 £'000 %	2018 £'000 %
Analysis of scheme assets by class:		
'Growth' Assets		
- Global equities	2,666 17.9	2,666 17.9
- Fund of hedge funds	2,576 17.3	2,607 17.5
- Diversified growth funds	1,608 10.8	2,339 15.7
'Matching' Assets		
- Corporate bonds	5,034 33.8	4,752 31.9
- Gilts	2,189 14.7	2,219 14.9
- Cash and other	820 5.5	312 2.1
Closing fair value of scheme assets	14,893 100.0	14,895 100.0
Target asset allocation:		
'Growth' Assets	50%	50%
'Matching' Assets	50%	50%

The group's contributions during the period amounted to £722,000 (2018: £699,000) and the agreed group contribution rate for the coming year is £747,000.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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 £577,933 (2018: £582,210) from both First Corporate Consultants Ltd and David Ord Limited during the year. As at the year-end an amount of £298,657 (2018: £315,289) was owing to both First Corporate Consultants Ltd and David Ord Limited. First Corporate Consultants Ltd 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.

27. ULTIMATE CONTROLLING PARTY

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