

Company Registered Number 02155845

FIRST CORPORATE CONSULTANTS LTD

Annual Report and Consolidated Financial Statements

For the year ended 30 June 2022

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FIRST CORPORATE CONSULTANTS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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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

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EC4V 4AY

SOLICITORS

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EC4V 4AY

PRINCIPAL BANKERS

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Bristol
BS2 0PT

HSBC Private Bank (UK) Limited
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SW1A 1JB

AUDITOR

Deloitte LLP
Statutory Auditor
Bristol
United Kingdom

FIRST CORPORATE CONSULTANTS LTD

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.

	2022 £’000	2021 £’000
Turnover	94,546	88,849
Operating profit excluding property revaluations	24,747	23,431
Profit before taxation	43,681	25,685
Profit after taxation	33,417	11,771
Profit after taxation and non-controlling interest	16,548	5,675
Net cash inflow from operating activities	30,158	32,657

The profit before taxation figure above includes the revaluation of investment properties of £17,455,000 (2021: £3,996,000), see note 12, and the revaluation of derivative financial instruments of £4,296,000 (2021: £1,288,000), see note 20. Profit before tax before these revaluations was £21,930,000 (2021: £20,401,000).

Turnover increased by 6% from the prior year on the back of increasing activity and increasing rates. Cost of sales and administration costs combined increased by 9% due to increased labour, repair and fuel costs. Repair costs were inflated partly due to the Portbury lock gate incident (see below) and fuel costs partly due to the loss of red diesel from 1 April 2022. Operating profit (excluding property revaluations) increased by 6% from the prior year as a result of this. Net cash inflow from operating activities was £30,158,000 (2021: £32,657,000); of this £15,173,000 was used for capital expenditure (2021: £17,495,000). Through the year, a net total of £2,000,000 was repaid against the RBS facility, leaving a balance of £58,000,000 (2021: £60,000,000) at the end of the financial year.

In January 2022, a catastrophic failure occurred to the top post casting on the east outer lock gate at Royal Portbury Dock. Emergency and contingency plans were activated and the response by staff and contractors was exemplary. Thanks to this response, Royal Portbury Dock was open to shipping under 205 metres after 10 days and to all vessels after 17 days. Overall costs as a result of the incident total circa £1.7m. Discussions are ongoing with insurers.

An interim dividend of £4,000,000 (2021: £4,400,000) was paid during the year and no dividend (2021: £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.

Competitive pressures and market conditions

Competitive pressure in the UK is a continuing risk for the group, which could result in it losing sales to its competitors. The group's business is also exposed to the risk of reduction in volumes and revenue due to general economic factors and downturns. The group manages these risks 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. The group endeavours to limit the risk from fluctuating interest rates by fixing the majority of its loan interest exposure. 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.

STRATEGIC REPORT (continued)

SECTION 172 STATEMENT

Stakeholders

The group's key stakeholders are its shareholders, employees, customers, suppliers, the local community, local and national government and the environment. When making decisions, particularly of a strategic nature, the directors have regard to the likely long-term impact on the company's stakeholders. The directors are involved in the day-to-day operation of the business and it is through these directors that the Board as a whole implements its strategic decisions. Engagement with the different stakeholders varies:

a) Shareholders

Each shareholder has representation on the Board to ensure they are involved with strategic decision making. This is also the case with the group's main trading entity, First Corporate Shipping Limited ("FCS").

b) Employees

The directors recognise that the safety and wellbeing of employees are fundamental to the success of the business. The group takes its safety responsibilities extremely seriously and strives to operate safe working practices in accordance with endorsed HSE, MCA and Port Skills and Safety guidance in order to eliminate accidents to their lowest practical levels. The group safety ethos remains unchanged and is to embed a challenge culture, so all employees are actively encouraged to challenge any activity they feel is unsafe and report it immediately with no fear of recrimination. This has been further reinforced by a bespoke companywide multi-channel communication programme in FCS.

Constant and consistent engagement with the workforce is critical. This has been reinforced by the recent appointment of 12 Unite-endorsed safety representatives and the continuation of every executive director of FCS conducting a monthly workplace safety inspection. The Executive Health and Safety Committee, chaired by FCS's CEO, was recently reviewed by an outside facilitator and is now placing greater focus on data analysis and implementation of the recent HSE Safety Climate tool findings.

A robust safe system of work continues to be in place, underpinned by formal and dynamic Risk Assessments and Permits to Works. These have now been incorporated into the FCS's new asset management system, Ultimo.

The group continues to provide swift access to a specialist occupational health provider that has permanent facilities in the port. Physiotherapy and mental health support continue to be available at no cost for all employees, along with an on-site gym, which is used by over 40% of permanent employees.

The group endeavours to pay its employees a fair salary and a generous pension – employees who joined prior to 2000 continue to accrue benefits in the company's defined benefit pension scheme (see note 24) and those who joined after 2000 are offered an 8% employer's contribution into the defined contribution pension scheme. FCS also 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.

c) Customers

FCS has a variety of customers; for example, ship owners and agents, cargo owners, technical service providers and tenants. FCS's Commercial Team ensures regular dialogue with customers is maintained and endeavours to ensure all customers' needs and concerns are met. FCS operates an ISO9001-certified quality management system to ensure the highest standards are maintained and specifically any customer complaints are dealt with in a timely, appropriate and fair manner.

d) Suppliers

Key to assisting the employees to deliver a quality service to the customers are the group's suppliers. Suppliers and contractors are vetted and regularly reviewed to ensure this quality is maintained. A third-party assurance service is now being used by FCS to ensure all the relevant documentation is in order for contractors. Where possible, the group works with local and small businesses in the port community. Engagement with suppliers is primarily managed by the staff responsible for the particular service or project. However, FCS's purchasing department and/or the group's management also engage with key suppliers or where there is an issue of significance. The group endeavours to pay its suppliers in a reasonable and equitable timeframe and ensures any disputed invoices are resolved swiftly.

STRATEGIC REPORT (continued)

SECTION 172 STATEMENT (continued)

e) Local community

The directors fully appreciate the importance of an open and transparent relationship with its neighbours and local community. The directors endeavour to maintain communications with communities via local residents' associations, meetings and updates and actively encourage port tenants to follow this lead. Tours of the port are given to many different groups and to individuals. FCS actively participates in the annual "Bristol Open Doors" weekend, with guided tours of the port being given to over 200 visitors. The group supports as many local causes as it can, mainly via its relationship and annual donation to the Quartet Community Foundation, supplemented with more direct donations or employees' time, including an annual community project by port apprentices.

f) Local and national government

As one of the UK's largest ports and the largest in the South-West, engagement with local and national government is important for the group. Either directly, or through the UK Major Ports' Group or the Port Skills and Safety forums, the directors maintain dialogue with both national government and local councils. FCS also engages through (and is represented by the CEO on) the Western Gateway, the West of England Combined Authority (WECA) and the Local Enterprise Partnership (LEP). Relationships with local MPs and councillors, one of whom is a director of FCS, also helps the group with its engagement with the local community.

g) Environment

FCS, 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 operations 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. FCS is currently contributing to the Department for Transport (DfT) Clean Air Strategy and the Maritime 2050 objectives, and also operates an ISO14001-certified environmental management system.

Key decisions in the year and long-term consequences

The group's business and shareholder structure mean that the group's governance can be managed by the Board alone without the need for any sub-committees. The key decisions made by the Board during the year were:

- **Safety:** FCS continued to champion the importance of a transparent safety culture. As a result, the FCS's Accident Frequency and Lost Time Injury Rate continue to show a year-on-year improvement.
- **Investment:** FCS has invested £15.4m in capital projects in order to support demand from existing and new customers. These have included new sheds, site surfacing and new equipment, with a specific emphasis on electric vehicle/plant and the demolition of some legacy equipment to create new opportunities.
- **Environment:** FCS has again accelerated its upgrade and conversion to the much more efficient LED lighting. The move to electric vehicles continued for FCS's white fleet and smaller forklift trucks. An order has been placed for the first electric medium forklift trucks. A trial to use Hydrotreated Vegetable Oil (HVO) as a fuel in FCS's marine vessels has proven very successful. FCS continues to investigate solar panels and battery storage. Employee commitment to environmental issues has continued to be encouraged, for example, a further 24 individuals have signed up the group's Cycle to Work scheme. FCS has planted a tree on the port estate for every employee.
- **Communities:** The provision continued of mentors for the KeysforLife charity that assists ex-offenders in finding permanent employment. Direct support has been given to the North West Food Bank, located in Avonmouth, in anticipation of the impending cost of living crisis this winter. FCS has also employed a number of Afghan resettlers to work within the Car Force with support from the Department of Work and Pensions.
- **Border Control Post.** FCS, in consultation with the Government and the UK Major Ports Group, has decided to mothball the recently-built Border Control Post. Despite Government assurances that the construction of this facility this would be fully funded, FCS has been left with a 33% deficit resulting in a direct contribution of £739,000. Discussions are ongoing to try to find a mechanism to refund this unexpected cost, possibly by leasing this facility to other Government departments.

STRATEGIC REPORT (continued)

SECTION 172 STATEMENT (continued)

Key decisions in the year and long-term consequences (continued)

The Board believes all these decisions will have positive long-term consequences. The continued investment in assets will allow the group to sustain and enhance service levels to existing and new customers. The continued engagement with environmental and community matters ensures the group remains sympathetic with those stakeholders, which will benefit the group and its stakeholders in the long-term.

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, empty oval shape.

T C Mordaunt
Director
24 January 2023

FIRST CORPORATE CONSULTANTS LTD

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2022. 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 group was profitable in the year. The directors have considered forecast profit and associated cash flows for the coming year from the date of this report. 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 and can meet their obligations as they fall due. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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, Carter Jonas LLP. The total valuation was £101,366,000 (2021: £83,911,000). Further details are given in note 12.

ENGAGEMENT WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHERS

Details of engagement with employees, suppliers and customers are discussed in the strategic report.

FIRST CORPORATE CONSULTANTS LTD

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.

ENERGY AND CARBON REPORTING

The group has reported on all sources of greenhouse gas emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended:

	2022	2021
Emissions from combustion of gas or of fuel for transport purposes - tonnes of CO ₂ e	4,397	4,612
Emissions from electricity purchased for own use, including for the purposes of transport - tonnes of CO ₂ e	2,632	2,566
Total gross emissions - tonnes of CO ₂ e	7,029	7,178
Energy consumption used to calculate emissions - kWh	31,703,214	31,208,316
Emissions (kg of CO ₂ e) per tonne of cargo handled	0.985	1.082

Methodology

Energy consumption figures have been derived from meters, in the case of gas and electricity, and volumes input into vehicles and machinery, in the case of fuel. These have been converted to tonnes of CO₂ equivalent using published 2020 emission factors. The reporting period is aligned to the financial year.

Projects

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). The emissions figure above for electricity excludes power provided by these wind turbines and represents 86% of the total power consumed by the group. The rolling programme to upgrade lighting throughout the port to LED continued during the year. A rationalisation plan has taken place to reduce total fleet holdings with the default setting being electric for new white fleet vehicles and smaller forklift trucks. The group is trialling the use of Hydrotreated Vegetable Oil (HVO) in its vessels and continues to investigate the feasibility of solar panels, batteries and an offset programme.

DONATIONS

During the year the group made charitable contributions of £442,290 (2021: £548,933) and political donations to the Conservative Party of £10,000 (2021: £41,000).

DIVIDENDS

Dividends declared in relation to the year total £4,000,000 (2021: £4,400,000). Details are given in note 10. No dividends have been declared since the year-end.

FIRST CORPORATE CONSULTANTS LTD

DIRECTORS' REPORT (continued)

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

POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

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
24 January 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the consolidated 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 group or the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's and the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 “parent company”) and its subsidiaries (the “group”):

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 30 June 2022 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 parent company balance sheets;
- the consolidated and parent company statements 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, including Financial Reporting Standard 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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the “FRC”) Ethical Standard, 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

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s and parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 parent 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 parent 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as property valuation, pension and financial instrument specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Completeness of deferred property revenue – we identified there may be an incentive to manipulate the property revenue recorded given that the majority of property rental invoices relating to the quarter starting 24 June are invoiced in June. As the total value of invoices is material, there is an increased risk that invoices are not appropriately split between current year revenue and deferred income. As part of the procedures to address the risk above, we tested the design and implementation of the key controls designed to mitigate the risk. We also performed a test of detail over the invoices raised in June to ensure that revenue was correctly recorded and split between current year revenue and deferred income.
- Cut-off of port operations revenue – we identified there may be an incentive to manipulate the port operations revenue recorded given that ships typically enter the port and dock for up to a week and total revenue generated from one ship includes a number of different charges. As the revenue generated during this period is a material level, there is an increased risk that revenue is not appropriately split between current year revenue and deferred revenue. As part of the procedures to address the risk above, we tested the design and implementation of the key controls designed to mitigate the risk. We also performed a test of detail over the revenue recorded in the period pre- and post-year-end to ensure that revenue was correctly recorded and split between current year revenue and deferred income.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

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

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 parent 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

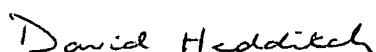
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the 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.

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 FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
24 January 2023

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2022

	Note	2022 £'000	2021 £'000
TURNOVER	3	94,546	88,849
Cost of sales		(55,378)	(50,278)
GROSS PROFIT		39,168	38,571
Administration expenses		(16,347)	(15,579)
		22,821	22,992
Revaluation of investment properties	12	17,455	3,996
Other operating income	4	1,926	439
OPERATING PROFIT		42,202	27,427
Investment income		33	29
Finance costs (net)	5	1,446	(1,771)
PROFIT BEFORE TAXATION	6	43,681	25,685
Tax on profit	8	(10,264)	(13,914)
PROFIT AFTER TAXATION		33,417	11,771
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity shareholders of the company		16,548	5,675
Non-controlling interest		16,869	6,096
		33,417	11,771

All results arise from continuing operations.

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Note	2022	2021
		£'000	£'000
PROFIT FOR THE FINANCIAL YEAR		33,417	11,771
Remeasurement of net defined benefit liability	24	15,965	14,571
Tax relating to components of other comprehensive income		(3,994)	(1,666)
Other comprehensive income		11,971	12,905
TOTAL COMPREHENSIVE INCOME		45,388	24,676
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR ATTRIBUTABLE TO:			
Equity shareholders of the company		22,517	12,110
Non-controlling interest		22,871	12,566
		45,388	24,676

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED BALANCE SHEET
At 30 June 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	11		4,865		4,865
Tangible assets	12		350,226		331,180
Investments	13		2,761		3,412
			<u>357,852</u>		<u>339,457</u>
CURRENT ASSETS					
Debtors - due within one year	14	14,280		10,353	
Debtors - due after more than one year	14	4,300		5,340	
Cash at bank and in hand		9,175		6,601	
		<u>27,755</u>		<u>22,294</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(26,255)		(25,218)	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,500</u>		<u>(2,924)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			359,352		336,533
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16		(62,093)		(64,126)
PROVISIONS FOR LIABILITIES	19		(38,636)		(32,415)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>258,623</u>		<u>239,992</u>
NET PENSION LIABILITY	24		(10,664)		(27,450)
NET ASSETS			<u>247,959</u>		<u>212,542</u>
CAPITAL AND RESERVES	22				
Called-up share capital			-		-
Revaluation reserve			63,054		56,722
Capital reserve			10,604		10,978
Other reserve			1,072		1,072
Profit and loss account			55,928		43,369
Total equity shareholders' funds			<u>130,658</u>		<u>112,141</u>
Non-controlling interest			117,301		100,401
TOTAL CAPITAL EMPLOYED			<u>247,959</u>		<u>212,542</u>

The financial statements of First Corporate Consultants Ltd, registered number 02155845, were approved by the Board of Directors and authorised for issue on 24 January 2023.

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 2022

	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 2020	58,163	11,352	1,072	33,844	104,431	94,983	199,414
Profit for the financial year	-	-	-	5,675	5,675	6,096	11,771
Remeasurement of net defined benefit liability (note 24)	-	-	-	7,266	7,266	7,305	14,571
Tax relating to items of other comprehensive income	-	-	-	(831)	(831)	(835)	(1,666)
Total comprehensive income	-	-	-	12,110	12,110	12,566	24,676
Revaluations (net of deferred tax)	(1,441)	-	-	1,441	-	-	-
Amortisation of negative goodwill	-	(374)	-	374	-	-	-
Dividends paid on equity shares (note 10)	-	-	-	(4,400)	(4,400)	(7,148)	(11,548)
At 30 June 2021	56,722	10,978	1,072	43,369	112,141	100,401	212,542
Profit for the financial year	-	-	-	16,548	16,548	16,869	33,417
Remeasurement of net defined benefit liability (note 24)	-	-	-	7,961	7,961	8,004	15,965
Tax relating to items of other comprehensive income	-	-	-	(1,992)	(1,992)	(2,002)	(3,994)
Total comprehensive income	-	-	-	22,517	22,517	22,871	45,388
Capital distribution	-	-	-	-	-	(289)	(289)
Revaluations (net of deferred tax)	6,332	-	-	(6,332)	-	-	-
Amortisation of negative goodwill	-	(374)	-	374	-	-	-
Dividends paid on equity shares (note 10)	-	-	-	(4,000)	(4,000)	(5,682)	(9,682)
At 30 June 2022	63,054	10,604	1,072	55,928	130,658	117,301	247,959

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 20.

FIRST CORPORATE CONSULTANTS LTD

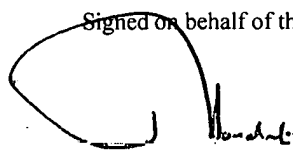
COMPANY BALANCE SHEET At 30 June 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	12		5,685		5,733
Investments	13		82,481		83,132
			<u>88,166</u>		<u>88,865</u>
CURRENT ASSETS					
Debtors - due within one year	14	3,569		3,594	
Cash at bank and in hand		<u>4,633</u>		<u>2,470</u>	
		8,202		6,064	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(83)</u>		<u>(64)</u>	
NET CURRENT ASSETS			<u>8,119</u>		<u>6,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			96,285		94,865
PROVISIONS FOR LIABILITIES	19		<u>(126)</u>		<u>(125)</u>
NET ASSETS			<u>96,159</u>		<u>94,740</u>
CAPITAL AND RESERVES	22				
Called-up share capital			-		-
Revaluation reserve			378		376
Profit and loss account			<u>95,781</u>		<u>94,364</u>
SHAREHOLDERS' FUNDS			<u>96,159</u>		<u>94,740</u>

The profit for the financial year of First Corporate Consultants Ltd (the parent company) was £5,419,000 (2021: profit of £6,863,000). 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 24 January 2023.

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 2022

	Share capital £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2020	-	106	92,171	92,277
Profit for the financial year	-	-	6,863	6,863
Total comprehensive income	-	-	6,863	6,863
Revaluations (net of deferred tax)	-	270	(270)	-
Dividends paid on equity shares (note 10)	-	-	(4,400)	(4,400)
At 30 June 2021	-	376	94,364	94,740
Profit for the financial year	-	-	5,419	5,419
Total comprehensive income	-	-	5,419	5,419
Revaluations (net of deferred tax)	-	2	(2)	-
Dividends paid on equity shares (note 10)	-	-	(4,000)	(4,000)
At 30 June 2022	-	378	95,781	96,159

FIRST CORPORATE CONSULTANTS LTD

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2022

	Note	2022 £'000	2021 £'000
Net cash flows from operating activities	Below	30,158	32,657
Cash flows used in investing activities			
Purchase of tangible fixed assets		(15,173)	(17,495)
Proceeds from sale of tangible fixed assets		141	364
Interest received		49	1
Investment income		33	29
Purchase of investments		(220)	(50)
Proceeds from sale of investments		2,035	-
Net cash flows from investing activities		(13,135)	(17,151)
Cash flows used in financing activities			
Dividends paid		(4,000)	(4,400)
Interest paid		(2,380)	(1,859)
Repayments of borrowings		(9,225)	(22,225)
Drawdown of borrowings		7,000	8,000
Subsidiary dividends paid to non-controlling interest		(5,555)	(4,971)
Capital distribution		(289)	-
Net cash flows from financing activities		(14,449)	(25,455)
Net increase/(decrease) in cash and cash equivalents		2,574	(9,949)
Cash and cash equivalents at beginning of year		6,601	16,550
Cash and cash equivalents at end of year		9,175	6,601

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

	2022 £'000	2021 £'000
Operating profit	42,202	27,427
Depreciation	13,787	13,961
Revaluation of investment properties	(17,455)	(3,996)
Impairment of investments	420	-
Movement in fair value of investments	(3)	(119)
Profit on disposal of tangible fixed assets	(1,704)	(248)
Amortisation of government grant	(409)	(480)
Impairment of intangible fixed assets	-	815
Adjustment for pension funding	(1,330)	(1,014)
Increase in debtors	(6,711)	(1,752)
Increase in creditors	5,362	2,715
UK corporation tax paid	(4,001)	(4,652)
Net cash flows from operating activities	30,158	32,657

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

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 9.

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.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

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 on an accruals basis when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1. ACCOUNTING POLICIES (continued)

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.

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, 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. The negative goodwill was amortised over 18 years, but is now fully amortised. 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 on a straight-line basis 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. ACCOUNTING POLICIES (continued)

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

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1. ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Investments

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

(iii) Equity instruments

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

(iv) Derivative financial instruments

The group 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 lessee

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 lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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 2022

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.

Critical judgements in applying the group's accounting policies

The critical judgements in applying the group's and company's accounting policies are discussed below.

Impairment of intangible assets

Determining whether intangible assets are impaired requires a judgement by management that the construction of the Deep Sea Container Terminal ("DSCT") pursuant to the Harbour Revision Order ("HRO") will proceed (see note 11). The future cashflows associated with the DSCT are significantly greater than the capitalised costs of obtaining that HRO, hence the uncertainty arises from management's judgement on whether the DSCT will be constructed rather than management's estimation of the value of the intangible asset. The company 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 2022

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) 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. In determining the fair values, management estimates the market rents, yields and discount rates of the specific properties by reference to market evidence of similar properties, making adjustments for factors such as location, age, type of tenant and unexpired lease term. Further information regarding investment properties and the potential material estimation uncertainty are in note 12.

(ii) Fair value measurements and valuation processes

The group's listed investments and derivative financial instruments 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.

(iii) 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. As with the valuation of investment properties, Coronavirus has introduced additional estimation uncertainty in the valuation of pension scheme liabilities this year. See note 24 for further information.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Turnover	86,553	81,085	7,993	7,764	94,546	88,849
Operating profit	34,490	19,929	7,712	7,498	42,202	27,427
Investment income					33	29
Finance costs (net)					1,446	(1,771)
Profit before taxation					43,681	25,685

4. OTHER OPERATING INCOME

	2022 £'000	2021 £'000
Profit on sale of fixed assets and investments	1,704	248
Sale of materials	101	71
Sundry operating income	121	120
	1,926	439

FIRST CORPORATE CONSULTANTS LTD**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 30 June 2022**5. FINANCE COSTS (NET)**

	2022 £'000	2021 £'000
Interest receivable and similar income		
Interest receivable	26	1
Interest payable and similar charges		
Bank loans and overdrafts wholly repayable within five years	2,142	2,169
Amortisation of capitalised finance costs	225	220
Change in fair value of derivative financial instruments	(4,296)	(1,288)
Interest payable	(1,929)	1,101
Finance charges associated with defined benefit pension schemes	509	671
Total interest payable	(1,420)	1,772
Total finance costs (net)	(1,446)	1,771

6. PROFIT BEFORE TAXATION

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

	2022 £'000	2021 £'000
Depreciation of owned fixed assets (note 12)	13,787	13,961
Profit on disposal of tangible fixed assets and investments	(1,704)	(248)
Impairment of intangible fixed assets (note 11)	-	815
Impairment of investments (note 13)	420	-
Amortisation of government grant (note 18)	(409)	(480)
Operating lease payments	272	295
Fees payable to the company's auditor:		
- for the audit of the company's annual financial statements	2	2
- for the audit of the company's subsidiaries pursuant to legislation	81	66
- total audit fees	83	68
- tax compliance services	65	53

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

7. INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES

	2022	2021
Directors	£'000	£'000
Emoluments for qualifying services	591	735
Aggregate of emoluments (excluding pension contributions) of the highest paid director	303	345

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	26,992	25,442
Social security costs	2,547	2,303
Other pension costs	2,370	2,404
	<u>31,909</u>	<u>30,149</u>
Company		
Wages and salaries	51	48
Social security costs	12	11
	<u>63</u>	<u>59</u>

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

	No.	No.
Group		
Port operations	608	595
Administration and general	62	60
	<u>670</u>	<u>655</u>
Company		
Administration and general	2	2

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

8. TAX ON PROFIT

	2022		2021	
	£'000	£'000	£'000	£'000
Current tax on profit				
UK corporation tax on profit in the year		4,120		4,251
Adjustment in respect of prior years		(290)		(160)
		<u>3,830</u>		<u>4,091</u>
Deferred tax				
Timing differences, origination and reversal	4,972		1,968	
Impact of change in tax rate	1,500		7,824	
Adjustment in respect of prior years	(38)		31	
		<u>6,434</u>		<u>9,823</u>
Total deferred tax (note 19)		<u>6,434</u>		<u>9,823</u>
Tax on profit		<u>10,264</u>		<u>13,914</u>

Factors affecting tax charge for the year

	2022	2021
	£'000	£'000
Profit before taxation	43,681	25,685
Tax at 19% (2021: 19%) thereon	8,299	4,880
Effects of:		
- non-taxable income and expenses not deductible for tax purposes	(3,262)	(166)
- timing differences relating to fixed assets	(603)	(400)
- indexation on chargeable gains	(3)	-
- carry-forward of tax losses	(311)	(63)
Adjustment in respect of prior years	(290)	(160)
Deferred tax movements in the year (see above)	6,434	9,823
Tax on profit	<u>10,264</u>	<u>13,914</u>

Factors that may affect the future tax charge

The Finance Act 2021 increased the main rate of corporation tax from 19% to 25% from 1 April 2023. Therefore, the corporation tax rate applicable for the year was 19% (2021: 19%) and deferred tax balances have been calculated at either 19% or 25%, depending on whether they are expected to reverse before 1 April 2023 (2021: 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 £5,419,000 (2021: profit of £6,863,000). 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

10. DIVIDENDS

	2022	2021
Equity shares	£'000	£'000
Interim paid, £23,952 per ordinary share (2021: £26,347)	4,000	4,400
Final declared, £0 per ordinary share (2021: £nil)	-	-
	<u>4,000</u>	<u>4,400</u>

11. INTANGIBLE FIXED ASSETS

Group	Harbour Revision Order £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 July 2021 and at 30 June 2022	<u>5,680</u>	<u>(709)</u>	<u>4,971</u>
Amortisation			
At 1 July 2021 and at 30 June 2022	<u>815</u>	<u>(709)</u>	<u>106</u>
Net book value			
At 30 June 2022	<u>4,865</u>	<u>-</u>	<u>4,865</u>
At 30 June 2021	<u>4,865</u>	<u>-</u>	<u>4,865</u>

In March 2010, the group was granted a Harbour Revision Order allowing for the construction of a berth on the River Severn at Avonmouth for a Deep Sea Container Terminal. Since this date, expenditure was incurred on site investigation works and on the design and impact of compensation land. The amount disclosed above represents the cumulative costs incurred. In 2016, the group was granted a ten-year extension to the Harbour Revision Order.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

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 2021	83,911	213,522	283,460	580,893
Additions	-	7,614	7,782	15,396
Disposals	-	(68)	(5,274)	(5,342)
Revaluations	17,455	-	-	17,455
At 30 June 2022	101,366	221,068	285,968	608,402
Depreciation				
At 1 July 2021	-	49,460	200,253	249,713
Charge for the year	-	2,301	11,486	13,787
Disposals	-	(68)	(5,256)	(5,324)
At 30 June 2022	-	51,693	206,483	258,176
Net book value				
At 30 June 2022	101,366	169,375	79,485	350,226
At 30 June 2021	83,911	164,062	83,207	331,180

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 2022	8,912	149,503	285,968	444,383
Accumulated historical depreciation	-	(49,539)	(206,483)	(256,022)
Net book value				
At 30 June 2022	8,912	99,964	79,485	188,361
At 30 June 2021	8,912	100,239	83,207	192,358

The cost of tangible fixed assets includes £279,000 (2021: £279,000) for the cumulative cost of interest paid in respect of the construction of certain assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

12. TANGIBLE FIXED ASSETS (continued)

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, Carter Jonas LLP. The valuation was based on an assessment of market rents and yields for similar properties with comparable uses and totalled £101,366,000 (2021: £83,911,000). There are no restrictions on the realisability of investment property, but most form part of the security provided on the bank debt facilities, so consent of the bank would be necessary prior to any disposal.

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 £7,993,000 (2021: £7,764,000). 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. There are no contractual obligations for repairs and maintenance in respect of investment property.

At 30 June 2022, the group had contracted with tenants for the following future minimum lease payments:

	2022	2021
	£'000	£'000
Group as lessor		
- within one year	7,997	6,950
- between one and five years	28,164	23,557
- after five years	113,671	114,769
	<hr/>	<hr/>
	149,832	145,276
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

12. TANGIBLE FIXED ASSETS (continued)

Company	Freehold investment properties £'000	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost or valuation				
At 1 July 2021	3,000	2,616	396	6,012
Additions	-	17	-	17
At 30 June 2022	3,000	2,633	396	6,029
Depreciation				
At 1 July 2021	-	121	158	279
Charge for the year	-	29	36	65
At 30 June 2022	-	150	194	344
Net book value				
At 30 June 2022	3,000	2,483	202	5,685
At 30 June 2021	3,000	2,495	238	5,733

13. INVESTMENTS

Group	Listed invest- ments £'000	Other invest- ments £'000	Loans £'000	Total £'000
Carrying value before impairment				
At 1 July 2021	843	2,569	2,296	5,708
Additions	100	120	-	220
Disposals	(17)	(437)	-	(454)
Movement in fair value	3	-	-	3
At 30 June 2022	929	2,252	2,296	5,477
Provisions for impairment				
At 1 July 2021	-	-	2,296	2,296
Impairment for the year	-	420	-	420
At 30 June 2022	-	420	2,296	2,716
Carrying value				
At 30 June 2022	929	1,832	-	2,761
At 30 June 2021	843	2,569	-	3,412

FIRST CORPORATE CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

13. INVESTMENTS (continued)

Company	Shares in subsidiaries £'000	Listed investments £'000	Other investments £'000	Loans £'000	Total £'000
Carrying value before impairment					
At 1 July 2021	50,064	843	2,569	31,952	85,428
Additions	-	100	120	-	220
Disposals	-	(17)	(437)	-	(454)
Movement in fair value	-	3	-	-	3
At 30 June 2022	50,064	929	2,252	31,952	85,197
Provisions for impairment					
At 1 July 2021	-	-	-	2,296	2,296
Impairment for the year	-	-	420	-	420
At 30 June 2022	-	-	420	2,296	2,716
Carrying value					
At 30 June 2022	50,064	929	1,832	29,656	82,481
At 30 June 2021	50,064	843	2,569	29,656	83,132

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

13. INVESTMENTS (continued)

Subsidiary undertaking	Registered Number	Holding	Proportion held	Nature of business
Agricultural Bulk Services (Bristol) Limited *	01503806	Ordinary shares	57%	Dormant

* denotes that the holdings are indirectly held.

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. 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. DEBTORS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year				
Trade debtors	10,867	8,223	58	42
Amounts owed by group undertakings	-	-	3,487	3,530
Other debtors	175	215	24	22
Prepayments and accrued income	2,744	1,823	-	-
Derivative financial instruments (note 21)	494	-	-	-
Deferred tax (note 19)	-	92	-	-
	<u>14,280</u>	<u>10,353</u>	<u>3,569</u>	<u>3,594</u>
Amounts falling due after more than one year				
Derivative financial instruments (note 21)	3,227	535	-	-
Deferred tax (note 19)	1,073	4,805	-	-
	<u>4,300</u>	<u>5,340</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 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans (note 17)	225	225	-	-
Derivative financial instruments (note 21)	-	482	-	-
Trade creditors	3,223	4,512	-	-
Amounts owed to group undertakings	-	-	10	10
Current corporation tax	142	314	-	-
Other taxes and social security costs	1,837	1,188	31	27
Other creditors	3,417	2,702	-	-
Accruals	5,871	5,035	42	27
Deferred income (note 18)	5,696	5,426	-	-
Deferred tax (note 19)	845	461	-	-
Dividends	4,999	4,873	-	-
	<u>26,255</u>	<u>25,218</u>	<u>83</u>	<u>64</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 financial year ended 30 June 2022.

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

Group	2022	2021
	£'000	£'000
Bank loans (note 17)	58,225	60,450
Derivative financial instruments (note 21)	-	629
Deferred income (note 18)	3,868	3,047
	<u>62,093</u>	<u>64,126</u>

17. BANK LOANS

Group	2022	2021
	£'000	£'000
Wholly repayable within five years:		
- bank term loan and revolving credit facility	58,000	60,000
- bank loans	450	675
	<u>58,450</u>	<u>60,675</u>
Included in creditors - amounts falling due within one year (note 15)	(225)	(225)
Included in creditors - amounts falling due after more than one year (note 16)	<u>58,225</u>	<u>60,450</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

17. BANK LOANS (continued)

Group	2022 £'000	2021 £'000
Amounts repayable by instalments:		
- within one year	225	225
- within one to two years	225	225
- within two to five years	58,000	60,225
	<u>58,450</u>	<u>60,675</u>
Bank loans secured on land and buildings, repayable by instalments:		
- by 2023, variable interest rate linked to SONIA (2021: LIBOR)	225	225
- by 2024, variable interest rate linked to SONIA (2021: LIBOR)	225	225
- by 2025, variable interest rate linked to SONIA (2021: LIBOR)	-	225
	<u>450</u>	<u>675</u>

The bank term loan and revolving credit facility, of which £58,000,000 (2021: £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 SONIA and on the bank loan at a margin above base rate.

18. DEFERRED INCOME

Included within deferred income is:

Group	£'000	
Government grant		
At 1 July 2020	3,448	
Grants received	525	
Release to profit and loss account	(480)	
	<u>3,493</u>	
At 30 June 2021	3,493	
Grants received	1,126	
Release to profit and loss account	(409)	
	<u>4,210</u>	
At 30 June 2022		
	2022 £'000	2021 £'000
The government grant balance is analysed as follows:		
- due within one year	342	446
- due after more than one year (note 16)	3,868	3,047
	<u>4,210</u>	<u>3,493</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

19. PROVISIONS FOR LIABILITIES

Group	Assets £'000	Liabilities £'000
Deferred taxation		
At 1 July 2021	4,897	32,876
Charged to profit and loss account	(255)	6,180
Charged to other comprehensive income	(3,569)	425
	<hr/>	<hr/>
At 30 June 2022	1,073	39,481
Reversing within one year	-	(845)
	<hr/>	<hr/>
Reversing after more than one year	1,073	38,636
	<hr/>	<hr/>
Reversal of deferred tax expected to occur in the next year		
In relation to derivative financial instruments	-	105
Capital allowances in excess of depreciation	-	740
	<hr/>	<hr/>
Total expected reversal of deferred tax	-	845
	<hr/>	<hr/>
Analysis of deferred tax balances	2022 £'000	2021 £'000
Deferred tax assets		
In relation to derivative financial instruments	-	163
In relation to retirement benefit obligations	1,073	4,734
	<hr/>	<hr/>
Total deferred tax assets	1,073	4,897
	<hr/>	<hr/>
Deferred tax liabilities		
Capital allowances in excess of depreciation	6,519	5,945
In relation to fixed asset revaluations	30,289	25,524
In relation to gains rolled-over	1,336	1,336
In relation to retirement benefit obligations	425	-
In relation to derivative financial instruments	912	71
	<hr/>	<hr/>
Total deferred tax liabilities	39,481	32,876
	<hr/>	<hr/>
Company		Liabilities £'000
Deferred taxation		
Charged to profit and loss account and at 30 June 2022		126
		<hr/>

The company deferred tax balance is all in relation to fixed asset revaluations and is all expected to reverse after more than one year.

There is no expiry date on timing differences, unused tax losses or tax credits.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

20. FINANCIAL INSTRUMENTS

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

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial assets				
Cash and bank balances	9,175	6,601	4,633	2,470
Measured at undiscounted amount receivable				
- Trade and other debtors (note 14)	11,042	8,438	82	64
- Amounts owed by subsidiary undertakings (note 14)	-	-	3,487	3,530
Measured at cost less impairment				
- Non-listed investments (note 13)	1,832	2,569	1,832	2,569
- Investments in subsidiaries (note 13)	-	-	50,064	50,064
Measured at fair value through the profit and loss				
- Listed investments (note 13)	929	843	929	843
Measured at present value of the future cash flows				
- Loans (note 13)	-	-	29,656	29,656
Total financial assets	22,978	18,451	90,683	89,196
Financial liabilities				
Measured at undiscounted amount payable				
- Trade and other creditors due within one year (note 15)	11,639	12,087	-	-
- Amounts owed to subsidiary undertakings (note 15)	-	-	10	10
Measured at amortised cost				
- Loans payable (note 17)	58,450	60,675	-	-
Measured at fair value through the profit and loss				
- Derivative financial liabilities (note 21)				
due within one year	-	482	-	-
due after one year	-	629	-	-
Total financial liabilities	70,089	73,873	10	10

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

	2022	2021
	£'000	£'000
Interest income and expense		
Total interest income for financial assets at undiscounted amounts	26	1
Total interest (expense) for financial liabilities at amortised cost	(2,142)	(2,169)
Fair value gains/(losses)		
On financial assets and liabilities measured at fair value through profit or loss:		
- Derivative financial instruments (note 21)	4,296	1,288
- Investments (note 13)	3	119

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

21. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Due within one year		Due after one year	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Assets				
- Interest rate swap	494	-	3,227	535
Liabilities				
- Interest rate swap	-	482	-	629

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 2022:

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
	2022	2021	2022	2021	2022	2021
	%	%	£'000	£'000	£'000	£'000
1 to 2 years	1.3%	1.3%	50,000	50,000	494	(1,111)
2 to 5 years	0.4%	0.4%	50,000	50,000	3,227	535

The interest rate swap settles on a quarterly basis. The floating rate on the interest rate swap is SONIA. 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.

22. CALLED-UP SHARE CAPITAL AND RESERVES

	2022	2021
	£	£
Allotted, called-up and fully paid		
167 Ordinary shares of £1 each	167	167

Ordinary shares of £1 each

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

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

FIRST CORPORATE CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

22. 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.

23. FINANCIAL COMMITMENTS

Group	2022 £'000	2021 £'000
Contracted for but not provided – tangible fixed assets	15,800	6,006

The company had no capital commitments at 30 June 2022 or at 30 June 2021.

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

	2022 £'000	2021 £'000
Group as lessee		
- within one year	174	171
- between one and five years	252	252
- after five years	7,193	7,256
	<u>7,619</u>	<u>7,679</u>
Group as lessor*		
- within one year	11,243	11,474
- between one and five years	36,964	30,163
- after five years	46,078	20,828
	<u>94,285</u>	<u>62,465</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 2022

23. 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.

24. RETIREMENT BENEFIT SCHEMES

a) The 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 2019 and updated to 30 June 2022 by a qualified independent actuary.

Main financial assumptions

	2022	2021
RPI inflation	3.10%	2.90%
CPI inflation	2.50%	2.10%
Discount rate at 30 June	3.80%	1.90%
Future salary increases	2.50%	2.10%
Rates of increase to pensions in payment		
- Accrued before 6 April 1997	2.50%	2.10%
- Accrued after 6 April 1997	2.10%	1.90%

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 S3Px tables with improvements in line with the CMI 2021 (2021: CMI 2020) projections and a long-term rate of improvement of 1.25% (2021: 1.25%) per annum.

	2022	2021
Weighted average life expectancy to determine benefit obligations:		
Male life expectancy		
- Retiring at age 65 now	22 years	21 years
- Retiring at age 65 in 20 years	23 years	23 years
Female life expectancy		
- Retiring at age 65 now	24 years	23 years
- Retiring at age 65 in 20 years	25 years	25 years

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

24. RETIREMENT BENEFIT SCHEMES (continued)

	2022	2021
	£'000	£'000
Amounts recognised in the balance sheet:		
Present value of defined benefit obligations	88,786	110,791
Fair value of scheme assets	(84,495)	(92,748)
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Liability recognised in the balance sheet	4,291	18,043
	<hr/>	<hr/>
Amounts recognised in the profit and loss account:		
Current service cost	842	984
Administration expenses	198	172
Net interest on net liability	344	566
	<hr/>	<hr/>
Total recognised in the profit and loss account	1,384	1,722
	<hr/>	<hr/>
Amounts recognised in other comprehensive income:		
Asset (losses)/gains arising during the year	(7,420)	11,339
Liability gains arising during the year	20,806	5,796
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Total recognised in other comprehensive income	13,386	17,135
	<hr/>	<hr/>
Changes in the present value of the defined benefit obligations are as follows:		
Opening defined benefit obligations	110,791	118,343
Service cost	842	984
Interest cost	2,082	1,872
Actuarial gains	(20,806)	(5,796)
Employee contributions	217	234
Net benefits paid out	(4,340)	(4,846)
	<hr/>	<hr/>
Closing defined benefit obligations	88,786	110,791
	<hr/>	<hr/>
Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	92,748	83,137
Interest income	1,738	1,306
Actuarial (losses)/gains	(7,420)	11,339
Contributions by employer	1,750	1,750
Contributions by members	217	234
Net benefits paid out	(4,340)	(4,846)
Administration expenses	(198)	(172)
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Closing fair value of scheme assets	84,495	92,748
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

24. RETIREMENT BENEFIT SCHEMES (continued)

	2022		2021	
	£'000	%	£'000	%
Analysis of scheme assets by class:				
Equities	38,250	45.3	46,948	50.6
Government bonds	11,253	13.3	13,465	14.5
Corporate bonds	6,739	8.0	7,681	8.3
Hedge funds	26,921	31.9	23,671	25.5
Cash and other	1,332	1.5	983	1.1
Closing fair value of scheme assets	84,495	100.0	92,748	100.0

The group's contributions during the period amounted to £1,750,000 (2021: £1,750,000) and the agreed group contribution rate for the coming year is £1,750,000.

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 £1,330,000 (2021: £1,248,000) and no amounts were outstanding at the year-end (2021: £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 2019. The results of these calculations have been updated to 30 June 2022 by a qualified independent actuary.

Main financial assumptions

	2022	2021
RPI inflation	3.10%	2.90%
CPI inflation	2.20%	2.10%
Discount rate at 30 June	3.80%	1.90%
Future salary increases	2.20%	2.10%
Rates of increase to pensions in payment		
- Maximum 5% pa, minimum 0% pa	3.00%	2.90%
- Maximum 5% pa, minimum 3% pa	3.60%	3.50%
Rates of increase to pensions in deferment		
- Minimum 3% pa	2.20%	2.10%
- Other	2.20%	2.10%

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

24. RETIREMENT BENEFIT SCHEMES (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% (2021: 105%) of the S3PxA tables with improvements in line with the CMI 2021 projections (2021: CMI 2020 projections) and a long-term rate of improvement of 1.00% (2021: 1.00%) per annum.

	2022	2021
Weighted average life expectancy to determine benefit obligations:		
Male life expectancy		
- Retiring at age 65 now	22 years	22 years
- Retiring at age 65 in 20 years	23 years	23 years
Female life expectancy		
- Retiring at age 65 now	24 years	24 years
- Retiring at age 65 in 20 years	25 years	25 years
	<hr/>	<hr/>
	2022	2021
	£'000	£'000
Amounts recognised in the balance sheet:		
Present value of defined benefit obligations	26,282	32,885
Fair value of scheme assets	(19,909)	(23,478)
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Liability recognised in the balance sheet	6,373	9,407
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Amounts recognised in the profit and loss account:		
Current service cost	180	260
Administration expenses	67	115
Net interest on net liability	165	105
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Total recognised in the profit and loss account	412	480
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Amounts recognised in other comprehensive income:		
Asset (losses)/gains arising during the year	(3,158)	8,721
Liability gains/(losses) arising during the year	5,737	(11,285)
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Total recognised in other comprehensive income	2,579	(2,564)
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

24. RETIREMENT BENEFIT SCHEMES (continued)

	2022 £'000	2021 £'000
Changes in the present value of the defined benefit obligations are as follows:		
Opening defined benefit obligations	32,885	22,688
Service cost	180	260
Interest cost	604	346
Actuarial (gains)/losses	(5,737)	11,285
Employee contributions	492	452
Net benefits paid out	(2,142)	(2,146)
Closing defined benefit obligations	26,282	32,885

Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	23,478	15,530
Interest income	439	241
Actuarial (losses)/gains	(3,158)	8,721
Contributions by employer	867	795
Contributions by members	492	452
Net benefits paid out	(2,142)	(2,146)
Administration expenses	(67)	(115)
Closing fair value of scheme assets	19,909	23,478

	2022 £'000	%	2021 £'000	%
Analysis of scheme assets by class:				
'Growth' Assets				
- Partners growth fund	7,665	38.5	8,217	35.0
- Diversified growth funds	717	3.6	1,268	5.4
- Downside risk hedge	40	0.2	94	0.4
'Matching' Assets				
- Corporate bonds	2,927	14.7	2,371	10.1
- Gilts	7,446	37.4	10,659	45.4
- Cash and other	1,114	5.6	869	3.7
Closing fair value of scheme assets	19,909	100.0	23,478	100.0

Target asset allocation:

'Growth' Assets	15%	45%
'Matching' Assets	55%	55%

The group's contributions during the period amounted to £867,000 (2021: £795,000) and the agreed group contribution rate for the coming year is £968,000.

FIRST CORPORATE CONSULTANTS LTD

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

25. NET DEBT RECONCILIATION

	At 1 July 2021 £'000	Cash flows £'000	At 30 June 2022 £'000
Cash at bank and in hand	6,601	2,574	9,175
Bank loans	(60,675)	2,225	(58,450)
Net debt	(54,074)	4,799	(49,275)

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 £543,789 (2021: £548,251) from both First Corporate Consultants Ltd and David Ord Limited during the year. Amounts are payable monthly and, as at the year-end an unsecured amount of £58,208 (2021: £42,000) was owing to both First Corporate Consultants Ltd and David Ord Limited. First Corporate Consultants Ltd and David Ord Limited are controlled by Mr T C Mordaunt and Sir David Ord, respectively.

During the year, a loan of £101,000 (2021: £439,666) was advanced to a director of a subsidiary company, in cash, and an amount of £558,495 (2021: £439,666) was outstanding at the year-end. Interest is payable on the loan at a rate of 3% above the Bank of England base rate and interest of £17,829 (2021: £2,315) had accrued on the loan at the year-end. The loan and accrued interest are secured on assets belonging to the director and are repayable on the earlier of the date that certain conditions are met and 30 April 2026. The loan and accrued interest were repaid in full subsequent to the year-end.

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.