

**Company Registered Number 02155845**

**FIRST CORPORATE CONSULTANTS LTD**

**Annual Report and Consolidated Financial Statements**

**For the year ended 30 June 2021**



# **FIRST CORPORATE CONSULTANTS LTD**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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## **FIRST CORPORATE CONSULTANTS LTD**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

J C Mordaunt  
T C Mordaunt  
Sir David Ord

#### **SECRETARY**

I D Sharper

#### **REGISTERED OFFICE**

Level 8  
71 Queen Victoria Street  
London  
EC4V 4AY

#### **SOLICITORS**

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

#### **PRINCIPAL BANKERS**

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

HSBC Private Bank (UK) Limited  
78 St James's Street  
London  
SW1A 1JB

#### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Bristol  
United Kingdom

## 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.

	2021 £'000	2020 £'000
Turnover	88,849	85,386
Operating profit excluding property revaluations	23,431	20,610
Profit before taxation	25,685	14,403
Profit after taxation	11,771	8,058
Profit after taxation and non-controlling interest	5,675	2,003
Net cash inflow from operating activities	32,657	26,274

Turnover increased by 4% from the prior year as the group's business recovered from the initial impact of the coronavirus (COVID-19) pandemic ("Coronavirus") as well as increasing activity in some trades. Cost of sales and administration costs combined increased by 1% due to this recovery in activity. Operating profit (excluding property revaluations) increased by 14% from the prior year as a result of this and an investment impairment in the prior year. Net cash inflow from operating activities was £32,657,000 (2020: £26,274,000); of this £17,495,000 was used for capital expenditure (2020: £15,561,000). Through the year, a net total of £14,000,000 was repaid against the RBS facility, leaving a balance of £60,000,000 (2020: £74,000,000) at the end of the financial year. At the previous year-end, a high level of cash had been retained as a contingency during the Coronavirus uncertainty; this contingency was released and paid against the RBS facility during the year. Details of other decisions taken in response to Coronavirus are noted under Section 172 Statement below.

An interim dividend of £4,400,000 (2020: £4,000,000) was paid during the year and no dividend (2020: £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 and Port Skills and Safety guidance in order to eliminate accidents. The group safety ethos 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.

Constant and consistent engagement with the workforce is critical and FCS endeavours to deliver the safety message in different and stimulating ways in order to avoid complacency. Communication, engagement and feedback is achieved through safety campaigns, the company intranet, PortALL, regular newsletters, departmental briefings and formal Works Council meetings.

FCS operates in a potentially hazardous industry, the main risks of which relate to people involved in the loading and discharging of cargoes and the associated man/machine interface. FCS is committed to continuous improvement in health and safety through control of risk which includes unannounced audits of health and safety by the dedicated Health and Safety Department and every executive director is required to conduct a monthly Workplace Safety Inspection. FCS maintains a safety system which provides consistent preparation and authorisation of both formal and dynamic Risk Assessments and Permits to Work throughout the port.

FCS continues to resource rapid medical access and advice, for all employees, to a specialist occupational health provider that has permanent facilities in the port. Physiotherapy and Mental Health support is also available for all employees along with an on-site gym.

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. 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 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:

- **Coronavirus:**
  - Continued assessment of the safety of employees to work versus the wider requirement of the national and local government and communities for ports to continue to operate.
  - Working with customers to minimise the impact on operations and their businesses.
  - Ensuring as many capital and maintenance projects continued so that engagement of suppliers continued, including maintaining the timeliness of payments to suppliers.
  - Not taking advantage of any tax-deferral schemes offered by HMRC.
- **Safety:** FCS, in consultation with a group of employee representatives, designed and delivered a high impact safety campaign to reinforce the dangers of complacency and corner cutting and the importance of concentration. This campaign was delivered using various media and various locations across the port.
- **Investment:** FCS has invested £17.2m in capital projects in order to support demand from existing and new customers. These have included new sheds, site surfacing and new equipment.
- **Environment:** FCS has accelerated its upgrade and conversion to the much more efficient LED lighting. Concurrently, 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. FCS is currently investigating installing solar panels on its newer sheds and an offset programme is also being considered. Employee commitment to environmental issues has continued to be encouraged. For example, 32 individuals have signed up the FCS's Cycle to Work scheme.
- **Communities:** Providing mentors for the KeysforLife charity that assists ex-offenders in finding permanent employment.

**STRATEGIC REPORT (continued)**

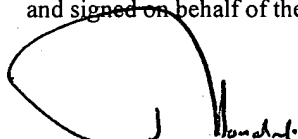
**SECTION 172 STATEMENT (continued)**

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

- **Border Control Post:** As part of a national programme sponsored by the Cabinet Office, FCS was required to build rapidly a Border Control Post to be operational by 1 July 2021 to comply with post-Brexit mandatory import checks. The Government initially advised that it would fund 100% of this project, but subsequently reduced this by 33%, necessitating FCS to contribute £850,000, with the resultant impacts on cash flow and profitability. Despite numerous procurement challenges and changes in the initial requirement, this facility was completed on time and within budget.

The Board believes all these decisions will have positive long-term consequences. The continued Coronavirus decisions to protect and assist employees, customers and others, along with the ongoing safety message, will strengthen its business in the long-term. Coupled with this, 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. Despite having to part-fund a government facility, ensuring the port has a modern Border Control Post will ensure it is well positioned to take advantage of post-Brexit opportunities.

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



**T C Mordaunt**  
Director  
16 December 2021



## **FIRST CORPORATE CONSULTANTS LTD**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2021. 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. These have taken into account the directors' reasonable forecasts of the impact of Coronavirus on a trade-by-trade basis and considered the impact of the safety measures adopted, for example social distancing. The directors acknowledge that the actual impact on a particular trade may develop to be worse than currently forecast. However, the directors are confident that the group's diverse range of trades and income streams will allow any trades falling short of that forecast to be offset by others and so allow the group to generate sufficient revenue to remain profitable.

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 (2020: North & Letherby Limited). The total valuation was £83,911,000 (2020: £79,915,000). 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:

	2021	2020
Emissions from combustion of gas or of fuel for transport purposes - tonnes of CO <sub>2</sub> e	4,612	4,372
Emissions from electricity purchased for own use, including for the purposes of transport - tonnes of CO <sub>2</sub> e	2,566	2,848
Total gross emissions - tonnes of CO <sub>2</sub> e	7,178	7,220
Energy consumption used to calculate emissions - kWh	31,208,316	29,973,835
Emissions (kg of CO <sub>2</sub> e) per tonne of cargo handled	1.082	1.027

#### 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 CO<sub>2</sub> 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 82% 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 currently investigating installing solar panels on its newer sheds and an offset programme is also being considered

#### DONATIONS

During the year the group made charitable contributions of £548,933 (2020: £498,384) and political donations to the Conservative Party of £41,000 (2020: £37,000).

#### DIVIDENDS

Dividends declared in relation to the year total £4,400,000 (2020: £4,000,000). 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

16 December 2021

**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 2021 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 respect of these matters.

### **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](http://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 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*

**David Hedditch (Senior statutory auditor)  
for and on behalf of Deloitte LLP**  
Statutory Auditor  
Bristol, United Kingdom  
16 December 2021



**FIRST CORPORATE CONSULTANTS LTD**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2021

	Note	2021 £'000	2020 £'000
<b>TURNOVER</b>	3	88,849	85,386
Cost of sales		(50,278)	(50,218)
<b>GROSS PROFIT</b>		38,571	35,168
Administration expenses		(15,579)	(14,761)
		22,992	20,407
Revaluation of investment properties	12	3,996	(2,268)
Other operating income	4	439	203
<b>OPERATING PROFIT</b>		27,427	18,342
Investment income		29	16
Finance costs (net)	5	(1,771)	(3,955)
<b>PROFIT BEFORE TAXATION</b>	6	25,685	14,403
Tax on profit	8	(13,914)	(6,345)
<b>PROFIT AFTER TAXATION</b>		11,771	8,058
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
Equity shareholders of the company		5,675	2,003
Non-controlling interest		6,096	6,055
		11,771	8,058

All results arise from continuing operations.

**FIRST CORPORATE CONSULTANTS LTD**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 30 June 2021**

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>PROFIT FOR THE FINANCIAL YEAR</b>			11,771		8,058
Remeasurement of net defined benefit liability	24	14,571		(13,531)	
Tax relating to components of other comprehensive income/(expense)		(1,666)		2,958	
Other comprehensive income/(expense)			12,905		(10,573)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>			<u>24,676</u>		<u>(2,515)</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>					
<b>FOR THE YEAR ATTRIBUTABLE TO:</b>					
Equity shareholders of the company			12,110		(3,269)
Non-controlling interest			12,566		754
			<u>24,676</u>		<u>(2,515)</u>

# FIRST CORPORATE CONSULTANTS LTD

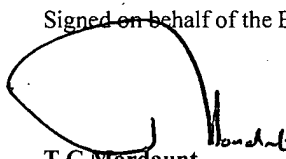
## CONSOLIDATED BALANCE SHEET

At 30 June 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	11		4,865		5,680
Tangible assets	12		331,180		324,094
Investments	13		3,412		3,243
			<u>339,457</u>		<u>333,017</u>
<b>CURRENT ASSETS</b>					
Debtors - due within one year	14	10,353		9,157	
Debtors - due after more than one year	14	5,340		6,930	
Cash at bank and in hand		6,601		16,550	
		<u>22,294</u>		<u>32,637</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(25,218)		(21,765)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(2,924)</u>		<u>10,872</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			336,533		343,889
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16		(64,126)		(78,910)
<b>PROVISIONS FOR LIABILITIES</b>	19		(32,415)		(23,201)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			239,992		241,778
<b>NET PENSION LIABILITY</b>	24		(27,450)		(42,364)
<b>NET ASSETS</b>			<u>212,542</u>		<u>199,414</u>
<b>CAPITAL AND RESERVES</b>	22				
Called-up share capital			-		-
Revaluation reserve			56,722		58,163
Capital reserve			10,978		11,352
Other reserve			1,072		1,072
Profit and loss account			43,369		33,844
			<u>112,141</u>		<u>104,431</u>
Total equity shareholders' funds			112,141		104,431
Non-controlling interest			100,401		94,983
<b>TOTAL CAPITAL EMPLOYED</b>			<u>212,542</u>		<u>199,414</u>

The financial statements of First Corporate Consultants Ltd, registered number 02155845, were approved by the Board of Directors and authorised for issue on 16 December 2021.

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 2021**

	<b>Reval- uation reserve £'000</b>	<b>Capital reserve £'000</b>	<b>Other reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>	<b>Non-cont- rolling interest £'000</b>	<b>Total capital employed £'000</b>
<b>At 1 July 2019</b>	60,370	11,726	1,072	38,532	111,700	97,703	209,403
Profit for the financial year	-	-	-	2,003	2,003	6,055	8,058
Remeasurement of net defined benefit liability (note 24)	-	-	-	(6,747)	(6,747)	(6,784)	(13,531)
Tax relating to items of other comprehensive income	-	-	-	1,475	1,475	1,483	2,958
Total comprehensive expense	-	-	-	(3,269)	(3,269)	754	(2,515)
Revaluations (net of deferred tax)	(2,207)	-	-	2,207	-	-	-
Amortisation of negative goodwill	-	(374)	-	374	-	-	-
Dividends paid on equity shares (note 10)	-	-	-	(4,000)	(4,000)	(3,474)	(7,474)
<b>At 30 June 2020</b>	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)
<b>At 30 June 2021</b>	56,722	10,978	1,072	43,369	112,141	100,401	212,542

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

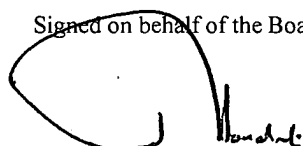
At 30 June 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	12		5,733		5,600
Investments	13		83,132		82,963
			<u>88,865</u>		<u>88,563</u>
<b>CURRENT ASSETS</b>					
Debtors - due within one year	14	3,594		1,583	
Cash at bank and in hand		<u>2,470</u>		<u>2,189</u>	
		6,064		3,772	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	<u>(64)</u>		<u>(58)</u>	
<b>NET CURRENT ASSETS</b>			<u>6,000</u>		<u>3,714</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			94,865		92,277
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(125)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>94,740</u>		<u>92,277</u>
<b>CAPITAL AND RESERVES</b>	22				
Called-up share capital			-		-
Revaluation reserve			376		106
Profit and loss account			<u>94,364</u>		<u>92,171</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>94,740</u>		<u>92,277</u>

The profit for the financial year of First Corporate Consultants Ltd (the parent company) was £6,863,000 (2020: loss of £511,000). 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 16 December 2021.

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 2021**

	<b>Share capital £'000</b>	<b>Reval- uation reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>At 1 July 2019</b>	-	289	96,499	96,788
Loss for the financial year	-	-	(511)	(511)
Total comprehensive expense	-	-	(511)	(511)
Revaluations(net of deferred tax)	-	(183)	183	-
Dividends paid on equity shares (note 10)	-	-	(4,000)	(4,000)
<b>At 30 June 2020</b>	-	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)
<b>At 30 June 2021</b>	-	376	94,364	94,740

**FIRST CORPORATE CONSULTANTS LTD**

**CONSOLIDATED CASH FLOW STATEMENT**

**For the year ended 30 June 2021**

	Note	2021 £'000	2020 £'000
<b>Net cash flows from operating activities</b>	Below	32,657	26,274
<b>Cash flows used in investing activities</b>			
Purchase of tangible fixed assets		(17,495)	(15,561)
Proceeds from sale of tangible fixed assets		364	52
Interest received		1	33
Investment income		29	16
Purchase of investments		(50)	(233)
Proceeds from sale of investments		-	8
<b>Net cash flows from investing activities</b>		(17,151)	(15,685)
<b>Cash flows used in financing activities</b>			
Dividends paid		(4,400)	(4,000)
Interest paid		(1,859)	(2,484)
Repayments of borrowings		(22,225)	(4,725)
Drawdown of borrowings		8,000	17,000
Subsidiary dividends paid to non-controlling interest		(4,971)	(5,924)
<b>Net cash flows from financing activities</b>		(25,455)	(133)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(9,949)	10,456
Cash and cash equivalents at beginning of year		16,550	6,094
<b>Cash and cash equivalents at end of year</b>		6,601	16,550

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

	2021 £'000	2020 £'000
Operating profit	27,427	18,342
Depreciation	13,961	13,118
Revaluation of investment properties	(3,996)	2,268
Impairment of investments	-	2,100
Movement in fair value of investments	(119)	182
Profit on disposal of tangible fixed assets	(248)	(40)
Amortisation of government grant	(480)	(480)
Impairment of intangible fixed assets	815	-
Adjustment for pension funding	(1,014)	(987)
Decrease in stock and work in progress	-	532
Increase in debtors	(1,752)	(615)
Increase/(decrease) in creditors	2,715	(1,721)
UK corporation tax paid	(4,652)	(6,425)
<b>Net cash flows from operating activities</b>	32,657	26,274

## **FIRST CORPORATE CONSULTANTS LTD**

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

**For the year ended 30 June 2021**

#### **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 2021**

**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 2021**

**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 2021**

**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.

## FIRST CORPORATE CONSULTANTS LTD

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 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 2021**

**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 2021

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. Coronavirus has introduced additional, potentially material, estimation uncertainty in the valuation of investment properties this year. 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.

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Turnover	81,085	77,401	7,764	7,985	88,849	85,386
Operating profit	19,929	10,629	7,498	7,713	27,427	18,342
Investment income					29	16
Finance costs (net)					(1,771)	(3,955)
Profit before taxation					25,685	14,403

### 4. OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Profit on sale of fixed assets and investments	248	52
Sale of materials	71	19
Sundry operating income	120	132
	439	203

**FIRST CORPORATE CONSULTANTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

**5. FINANCE COSTS (NET)**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Interest receivable and similar income</b>		
Interest receivable	1	33
<b>Interest payable and similar charges</b>		
Bank loans and overdrafts wholly repayable within five years	2,169	2,215
Amortisation of capitalised finance costs	220	220
Change in fair value of derivative financial instruments	(1,288)	892
Interest payable	1,101	3,327
Finance charges associated with defined benefit pension schemes	671	661
Total interest payable	1,772	3,988
<b>Total finance costs (net)</b>	1,771	3,955

**6. PROFIT BEFORE TAXATION**

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

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Depreciation of owned fixed assets (note 12)	13,961	13,118
Profit on disposal of tangible fixed assets and investments	(248)	(40)
Impairment of intangible fixed assets (note 11)	815	-
Amortisation of government grant (note 18)	(480)	(480)
Impairment of investments (note 13)	-	2,100
Operating lease payments	295	278
Stock recognised as an expense	-	530
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	66	69
- total audit fees	68	71
- tax compliance services	53	59



# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 7. INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES

	2021 £'000	2020 £'000
<b>Directors</b>		
Emoluments for qualifying services	735	886
Aggregate of emoluments (excluding pension contributions) of the highest paid director	345	564

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
<b>Group</b>		
Wages and salaries	25,442	24,738
Social security costs	2,303	2,281
Other pension costs	2,404	2,277
	30,149	29,296
<b>Company</b>		
Wages and salaries	48	46
Social security costs	11	11
	59	57

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

	No.	No.
<b>Group</b>		
Port operations	595	592
Administration and general	60	59
	655	651
<b>Company</b>		
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.

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 8. TAX ON PROFIT

	2021		2020	
	£'000	£'000	£'000	£'000
<b>Current tax on profit</b>				
UK corporation tax on profit in the year		4,251		4,580
Adjustment in respect of prior years		(160)		(438)
		<u>4,091</u>		<u>4,142</u>
<b>Deferred tax</b>				
Timing differences, origination and reversal	1,968		(213)	
Impact of change in tax rate	7,824		2,416	
Adjustment in respect of prior years	31		-	
	<u>9,823</u>		<u>2,203</u>	
Total deferred tax (note 19)		9,823		2,203
<b>Tax on profit</b>		<u>13,914</u>		<u>6,345</u>

### Factors affecting tax charge for the year

	2021	2020
	£'000	£'000
Profit before taxation	25,685	14,403
Tax at 19% (2020: 19%) thereon	4,880	2,737
Effects of:		
- non-taxable income and expenses not deductible for tax purposes	(166)	1,550
- timing differences relating to fixed assets	(400)	(99)
- carry-forward of tax losses	(63)	392
Adjustment in respect of prior years	(160)	(438)
Deferred tax movements in the year (see above)	9,823	2,203
<b>Tax on profit</b>	<u>13,914</u>	<u>6,345</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% (2020: 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 (2020: 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/LOSS ATTRIBUTABLE TO THE COMPANY

The profit for the financial year dealt with in the financial statements of the parent company was £6,863,000 (2020: loss of £511,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company.

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 10. DIVIDENDS

	2021 £'000	2020 £'000
<b>Equity shares</b>		
Interim paid, £26,347 per ordinary share (2020: £23,952)	4,400	4,000
Final declared, £nil per ordinary share (2020: £nil)	-	-
	<u>4,400</u>	<u>4,000</u>

### 11. INTANGIBLE FIXED ASSETS

Group	Harbour Revision Order £'000	Negative goodwill £'000	Total £'000
<b>Cost</b>			
At 1 July 2020 and at 30 June 2021	5,680	(709)	4,971
<b>Amortisation</b>			
At 1 July 2020	-	(709)	(709)
Impairment losses	815	-	815
At 30 June 2021	815	(709)	106
<b>Net book value</b>			
At 30 June 2021	4,865	-	4,865
At 30 June 2020	5,680	-	5,680

In March 2010, the group was granted a Harbour Revision Order allowing for the construction of a berth on the River Severn at Avonmouth for a Deep Sea Container Terminal. Since this date, expenditure 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. The amount written off in the year relates to costs to secure planning permission for the compensation scheme to mitigate the environmental impact of the development. That planning permission has since expired.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2021

**12. TANGIBLE FIXED ASSETS**

Group	Freehold investment properties £'000	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 July 2020	79,915	205,780	277,571	563,266
Additions	-	7,742	9,425	17,167
Disposals	-	-	(3,536)	(3,536)
Revaluations	3,996	-	-	3,996
At 30 June 2021	83,911	213,522	283,460	580,893
<b>Depreciation</b>				
At 1 July 2020	-	47,238	191,934	239,172
Charge for the year	-	2,222	11,739	13,961
Disposals	-	-	(3,420)	(3,420)
At 30 June 2021	-	49,460	200,253	249,713
<b>Net book value</b>				
At 30 June 2021	83,911	164,062	83,207	331,180
At 30 June 2020	79,915	158,542	85,637	324,094

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
<b>Historical cost</b>				
At 30 June 2021	8,912	149,699	283,460	442,071
Accumulated historical depreciation	-	(49,460)	(200,253)	(249,713)
<b>Net book value</b>				
At 30 June 2021	8,912	100,239	83,207	192,358
At 30 June 2020	8,912	94,719	85,637	189,268

The cost of tangible fixed assets includes £279,000 (2020: £279,000) for the cumulative cost of interest paid in respect of the construction of certain assets.

Following reassessment of certain assets held by the company, it was deemed appropriate to reclassify these balances from investments to tangible fixed assets. Accordingly, in both group and company disclosures and effective 30 June 2020, an amount of £5,341,000 has been reclassified from the investments heading of 'Real estate' into tangible fixed assets, with £2,724,000 being classified under the 'Freehold investment properties' heading and £2,617,000 under the 'Freehold land and buildings' heading.

## FIRST CORPORATE CONSULTANTS LTD

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 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 (2020: North & Letherby Limited). The valuation was based on an assessment of market rents and yields for similar properties with comparable uses and totalled £83,911,000 (2020: £79,915,000). 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 £7,764,000 (2020: £7,985,000). 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 2021, the group had contracted with tenants for the following future minimum lease payments:

	2021 £'000	2020 £'000
<b>Group as lessor</b>		
- within one year	6,950	6,363
- between one and five years	23,557	21,533
- after five years	114,769	122,282
	<hr/> 145,276	<hr/> 150,178

**FIRST CORPORATE CONSULTANTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2021

**12. TANGIBLE FIXED ASSETS (continued)**

<b>Company</b>	<b>Freehold investment properties £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and equipment £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>				
At 1 July 2020	2,724	2,616	382	5,722
Additions	-	-	14	14
Revaluations	276	-	-	276
At 30 June 2021	3,000	2,616	396	6,012
<b>Depreciation</b>				
At 1 July 2020	-	-	122	122
Charge for the year	-	121	36	157
At 30 June 2021	-	121	158	279
<b>Net book value</b>				
At 30 June 2021	3,000	2,495	238	5,733
At 30 June 2020	2,724	2,616	260	5,600

**13. INVESTMENTS**

<b>Group</b>	<b>Listed invest- ments £'000</b>	<b>Other invest- ments £'000</b>	<b>Loans £'000</b>	<b>Total £'000</b>
<b>Carrying value before impairment</b>				
At 1 July 2020	724	2,519	2,296	5,539
Additions	-	50	-	50
Movement in fair value	119	-	-	119
At 30 June 2021	843	2,569	2,296	5,708
<b>Provisions for impairment</b>				
At 1 July 2020 and at 30 June 2021	-	-	2,296	2,296
<b>Carrying value</b>				
At 30 June 2021	843	2,569	-	3,412
At 30 June 2020	724	2,519	-	3,243

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 13. INVESTMENTS (continued)

Company	Shares in subsidiaries £'000	Listed investments £'000	Other investments £'000	Loans £'000	Total £'000
<b>Carrying value before impairment</b>					
At 1 July 2020	50,064	724	2,519	31,952	85,259
Additions	-	-	50	-	50
Movement in fair value	-	119	-	-	119
At 30 June 2021	50,064	843	2,569	31,952	85,428
<b>Provisions for impairment</b>					
At 1 July 2020 and at 30 June 2021	-	-	-	2,296	2,296
<b>Carrying value</b>					
At 30 June 2021	50,064	843	2,569	29,656	83,132
At 30 June 2020	50,064	724	2,519	29,656	82,963

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
Agricultural Bulk Services (Bristol) Limited *	01503806	Ordinary shares	57%	Dormant
Erraid Limited **	09567163	Ordinary shares	33%	Property development

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 13. INVESTMENTS (continued)

\* denotes that the holdings are indirectly held.

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

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.

In addition to the reclassification of assets previously shown under the 'Real estate' heading as disclosed in note 12, effective 30 June 2020, an amount owed by a subsidiary of £29,656,000 has been reclassified from debtors falling due within one year to investments, under the 'Loans' heading. Although this amount is repayable on demand, the company has no intention of recalling the loan, hence the reclassification.

The fair value of listed investments was determined with reference to the quoted market price at the reporting date. Deferred tax liabilities arising from the revaluation of assets of £nil (2020: £20,000) have not been recognised.

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	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Trade debtors	8,223	7,396	42	-
Amounts owed by group undertakings	-	-	3,530	1,354
Other debtors	215	503	22	229
Prepayments and accrued income	1,823	1,145	-	-
Deferred tax (note 19)	92	113	-	-
	<u>10,353</u>	<u>9,157</u>	<u>3,594</u>	<u>1,583</u>
<b>Amounts falling due after more than one year</b>				
Derivative financial instruments (note 21)	535	-	-	-
Deferred tax (note 19)	4,805	6,930	-	-
	<u>5,340</u>	<u>6,930</u>	<u>-</u>	<u>-</u>

Amounts owed by group undertakings do not bear interest, are unsecured and are repayable on demand. An amount previously shown as owed by group undertakings has been reclassified to investments. See note 13 for more details.



# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans (note 17)	225	225	-	-
Derivative financial instruments (note 21)	482	596	-	-
Trade creditors	4,512	2,361	-	-
Amounts owed to group undertakings	-	-	10	10
Current corporation tax	314	875	-	-
Other taxes and social security costs	1,188	1,299	27	17
Other creditors	2,702	3,002	-	-
Accruals	5,035	5,324	27	31
Deferred income (note 18)	5,426	5,056	-	-
Deferred tax (note 19)	461	332	-	-
Dividends	4,873	2,695	-	-
	<u>25,218</u>	<u>21,765</u>	<u>64</u>	<u>58</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 2021.

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

Group	2021	2020
	£'000	£'000
Bank loans (note 17)	60,450	74,675
Derivative financial instruments (note 21)	629	1,267
Deferred income (note 18)	3,047	2,968
	<u>64,126</u>	<u>78,910</u>

### 17. BANK LOANS

Group	2021	2020
	£'000	£'000
Wholly repayable within five years:		
- bank term loan and revolving credit facility	60,000	74,000
- bank loans	675	900
	<u>60,675</u>	<u>74,900</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>60,450</u>	<u>74,675</u>

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 17. BANK LOANS (continued)

Group	2021 £'000	2020 £'000
Amounts repayable by instalments:		
- within one year	225	225
- within one to two years	225	225
- within two to five years	60,225	74,450
	<u>60,675</u>	<u>74,900</u>
Bank loans secured on land and buildings, repayable by instalments:		
- by 2022, variable interest rate linked to LIBOR	225	225
- by 2023, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	225	225
- by 2024, variable interest rate linked to LIBOR	-	225
	<u>675</u>	<u>900</u>

The bank term loan and revolving credit facility, of which £60,000,000 (2020: £74,000,000) was drawn at the year-end, is secured by a first legal mortgage on certain properties and by a floating charge on all other assets. The bank loan is secured on certain charged properties. Interest is payable on the bank term loan and revolving credit facility at a margin above 3-month and 1-month LIBOR, respectively, and on the bank loan at a margin above base rate.

### 18. DEFERRED INCOME

Included within deferred income is:

Group	£'000	
<b>Government grant</b>		
At 1 July 2019	3,928	
Release to profit and loss account	(480)	
At 30 June 2020	<u>3,448</u>	
Grants received	525	
Release to profit and loss account	(480)	
At 30 June 2021	<u>3,493</u>	
	<b>2021 £'000</b>	<b>2020 £'000</b>
The government grant balance is analysed as follows:		
- due within one year	446	480
- due after more than one year (note 16)	3,047	2,968
	<u>3,493</u>	<u>3,448</u>

**FIRST CORPORATE CONSULTANTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

**19. PROVISIONS FOR LIABILITIES**

<b>Group</b>	<b>Assets £'000</b>	<b>Liabilities £'000</b>
<b>Deferred taxation</b>		
At 1 July 2020	7,043	23,533
Charged to profit and loss account	(480)	9,343
Charged to other comprehensive income	(1,666)	-
	<hr/>	<hr/>
At 30 June 2021	4,897	32,876
Reversing within one year	(92)	(461)
	<hr/>	<hr/>
Reversing after more than one year	4,805	32,415
	<hr/>	<hr/>
<b>Reversal of deferred tax expected to occur in the next year</b>		
In relation to derivative financial instruments	92	-
Capital allowances in excess of depreciation	-	461
	<hr/>	<hr/>
Total expected reversal of deferred tax	92	461
	<hr/>	<hr/>
<b>Analysis of deferred tax balances</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Deferred tax assets</b>		
In relation to derivative financial instruments	163	354
In relation to retirement benefit obligations	4,734	6,689
	<hr/>	<hr/>
Total deferred tax assets	4,897	7,043
	<hr/>	<hr/>
<b>Deferred tax liabilities</b>		
Capital allowances in excess of depreciation	5,945	4,150
In relation to fixed asset revaluations	25,524	18,249
In relation to gains rolled-over	1,336	814
In relation to retirement benefit obligations	-	320
In relation to derivative financial instruments	71	-
	<hr/>	<hr/>
Total deferred tax liabilities	32,876	23,533
	<hr/>	<hr/>
<b>Company</b>		<b>Liabilities £'000</b>
<b>Deferred taxation</b>		
Charged to profit and loss account and at 30 June 2021		125
		<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.

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 20. FINANCIAL INSTRUMENTS

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

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Cash and bank balances	6,601	16,550	2,470	2,189
Measured at undiscounted amount receivable				
- Trade and other debtors (note 14)	8,438	7,899	64	229
- Amounts owed by subsidiary undertakings (note 14)	-	-	3,530	1,354
Measured at cost less impairment				
- Non-listed investments (note 13)	2,569	2,519	2,569	2,519
- Investments in subsidiaries (note 13)	-	-	50,064	50,064
Measured at fair value through the profit and loss				
- Listed investments (note 13)	843	724	843	724
Measured at present value of the future cash flows				
- Loans (note 13)	-	-	29,656	29,656
<b>Total financial assets</b>	<b>18,451</b>	<b>27,692</b>	<b>89,196</b>	<b>86,735</b>
<b>Financial liabilities</b>				
Measured at undiscounted amount payable				
- Trade and other creditors due within one year (note 15)	12,087	8,058	-	-
- Amounts owed to subsidiary undertakings (note 15)	-	-	10	10
Measured at amortised cost				
- Loans payable (note 17)	60,675	74,900	-	-
Measured at fair value through the profit and loss				
- Derivative financial liabilities (note 21)				
due within one year	482	596	-	-
due after one year	629	1,267	-	-
<b>Total financial liabilities</b>	<b>73,873</b>	<b>84,821</b>	<b>10</b>	<b>10</b>

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

	2021	2020
	£'000	£'000
<b>Interest income and expense</b>		
Total interest income for financial assets at undiscounted amounts	1	33
Total interest (expense) for financial liabilities at amortised cost	(2,169)	(2,215)
<b>Fair value gains/(losses)</b>		
On financial assets and liabilities measured at fair value through profit or loss:		
- Derivative financial instruments (note 21)	1,288	(892)
- Investments (note 13)	119	(182)

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2021

**21. DERIVATIVE FINANCIAL INSTRUMENTS**

Group	Due within one year		Due after one year	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Assets				
- Interest rate swap	-	-	535	-
Liabilities				
- Interest rate swap	482	596	629	1,267

**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 2021:

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
	2021 %	2020 %	2021 £'000	2020 £'000	2021 £'000	2020 £'000
1 to 2 years	1.3%	-	50,000	-	(1,111)	-
2 to 5 years	0.4%	1.3%	50,000	50,000	535	(1,863)

The interest rate swap settles on a quarterly basis. The floating rate on the interest rate swap is LIBOR. The group settles the difference between the fixed and floating interest rate on a net basis.

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

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

**22. CALLED-UP SHARE CAPITAL AND RESERVES**

	2021 £	2020 £
<b>Allotted, called-up and fully paid</b>		
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 2021

#### 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	2021 £'000	2020 £'000
Contracted for but not provided – tangible fixed assets	6,006	4,121
The company had no capital commitments at 30 June 2021 or at 30 June 2020.		
Total future minimum lease payments under non-cancellable operating leases are as follows:		
	2021 £'000	2020 £'000
<b>Group as lessee</b>		
- within one year	171	167
- between one and five years	252	252
- after five years	7,256	7,319
	7,679	7,738
<b>Group as lessor*</b>		
- within one year	11,474	9,523
- between one and five years	30,163	19,853
- after five years	20,828	23,063
	62,465	52,439

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

## FIRST CORPORATE CONSULTANTS LTD

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 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 2021 by a qualified independent actuary.

##### Main financial assumptions

	2021	2020
RPI inflation	2.90%	2.90%
CPI inflation	2.10%	2.10%
Discount rate at 30 June	1.90%	1.60%
Future salary increases	2.10%	2.10%
Rates of increase to pensions in payment		
- Accrued before 6 April 1997	2.10%	2.10%
- Accrued after 6 April 1997	1.90%	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 S3PxA tables with improvements in line with the CMI 2020 (2020: CMI 2019) projections and a long-term rate of improvement of 1.25% (2020: 1.25%) per annum.

	2021	2020
<b>Weighted average life expectancy to determine benefit obligations:</b>		
Male life expectancy		
- Retiring at age 65 now	21 years	22 years
- Retiring at age 65 in 20 years	23 years	23 years
Female life expectancy		
- Retiring at age 65 now	23 years	24 years
- Retiring at age 65 in 20 years	25 years	25 years

**FIRST CORPORATE CONSULTANTS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2021**

**24. RETIREMENT BENEFIT SCHEMES (continued)**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Amounts recognised in the balance sheet:</b>		
Present value of defined benefit obligations	110,791	118,343
Fair value of scheme assets	(92,748)	(83,137)
	<hr/>	<hr/>
Liability recognised in the balance sheet	18,043	35,206
	<hr/>	<hr/>
<b>Amounts recognised in the profit and loss account:</b>		
Current service cost	984	853
Administration expenses	172	205
Past service cost	-	-
Net interest on net liability	566	509
	<hr/>	<hr/>
Total recognised in the profit and loss account	1,722	1,567
	<hr/>	<hr/>
<b>Amounts recognised in other comprehensive income:</b>		
Asset gains/(losses) arising during the year	11,339	(3,159)
Liability gains/(losses) arising during the year	5,796	(10,092)
	<hr/>	<hr/>
Total recognised in other comprehensive income	17,135	(13,251)
	<hr/>	<hr/>
<b>Changes in the present value of the defined benefit obligations are as follows:</b>		
Opening defined benefit obligations	118,343	108,948
Service cost	984	853
Interest cost	1,872	2,479
Actuarial (gains)/losses	(5,796)	10,092
Employee contributions	234	249
Net benefits paid out	(4,846)	(4,278)
	<hr/>	<hr/>
Closing defined benefit obligations	110,791	118,343
	<hr/>	<hr/>
<b>Changes in the fair value of scheme assets:</b>		
Opening fair value of scheme assets	83,137	86,997
Interest income	1,306	1,970
Actuarial gains/(losses)	11,339	(3,159)
Contributions by employer	1,750	1,563
Contributions by members	234	249
Net benefits paid out	(4,846)	(4,278)
Administration expenses	(172)	(205)
	<hr/>	<hr/>
Closing fair value of scheme assets	92,748	83,137
	<hr/>	<hr/>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

24. RETIREMENT BENEFIT SCHEMES (continued)

	2021		2020	
	£'000	%	£'000	%
<b>Analysis of scheme assets by class:</b>				
Equities	46,948	50.6	37,404	45.0
Government bonds	13,465	14.5	15,037	18.1
Corporate bonds	7,681	8.3	7,402	8.9
Hedge funds	23,671	25.5	20,168	24.3
Cash and other	983	1.1	3,126	3.7
<b>Closing fair value of scheme assets</b>	<b>92,748</b>	<b>100.0</b>	<b>83,137</b>	<b>100.0</b>

The group's contributions during the period amounted to £1,750,000 (2020: £1,563,000) 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 £1,220,000 (2020: £1,220,000) and no amounts were outstanding at the year-end (2020: £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 2021 by a qualified independent actuary.

Main financial assumptions

	2021	2020
RPI inflation	2.90%	2.60%
CPI inflation	2.10%	2.10%
Discount rate at 30 June	1.90%	1.60%
Future salary increases	2.10%	2.90%
Rates of increase to pensions in payment		
- Maximum 5% pa, minimum 0% pa	2.90%	2.60%
- Maximum 5% pa, minimum 3% pa	3.50%	3.40%
Rates of increase to pensions in deferment		
- Minimum 3% pa	2.10%	2.10%
- Other	2.10%	2.10%

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2021

**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% (2020: 105%) of the S3PxA tables with improvements in line with the CMI 2020 projections (2020: CMI 2019 projections) and a long-term rate of improvement of 1.00% (2020: 1.00%) per annum.

	2021	2020
<b>Weighted average life expectancy to determine benefit obligations:</b>		
Male life expectancy		
- Retiring at age 65 now	22 years	21 years
- Retiring at age 65 in 20 years	23 years	22 years
Female life expectancy		
- Retiring at age 65 now	24 years	23 years
- Retiring at age 65 in 20 years	25 years	25 years
	<hr/>	<hr/>
	2021	2020
	£'000	£'000
<b>Amounts recognised in the balance sheet:</b>		
Present value of defined benefit obligations	32,885	22,688
Fair value of scheme assets	(23,478)	(15,530)
	<hr/>	<hr/>
<b>Liability recognised in the balance sheet</b>	9,407	7,158
	<hr/>	<hr/>
<b>Amounts recognised in the profit and loss account:</b>		
Current service cost	260	196
Administration expenses	115	69
Net interest on net liability	105	152
	<hr/>	<hr/>
<b>Total recognised in the profit and loss account</b>	480	417
	<hr/>	<hr/>
<b>Amounts recognised in other comprehensive income:</b>		
Asset gains arising during the year	8,721	654
Liability losses arising during the year	(11,285)	(934)
	<hr/>	<hr/>
<b>Total recognised in other comprehensive income</b>	(2,564)	(280)
	<hr/>	<hr/>

# FIRST CORPORATE CONSULTANTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 24. RETIREMENT BENEFIT SCHEMES (continued)

	2021 £'000	2020 £'000
<b>Changes in the present value of the defined benefit obligations are as follows:</b>		
Opening defined benefit obligations	22,688	22,101
Service cost	260	196
Interest cost	346	491
Actuarial losses	11,285	934
Employee contributions	452	434
Net benefits paid out	(2,146)	(1,468)
<b>Closing defined benefit obligations</b>	<b>32,885</b>	<b>22,688</b>

#### Changes in the fair value of scheme assets:

Opening fair value of scheme assets	15,530	14,893
Interest income	241	339
Actuarial gains	8,721	654
Contributions by employer	795	747
Contributions by members	452	434
Net benefits paid out	(2,146)	(1,468)
Administration expenses	(115)	(69)
<b>Closing fair value of scheme assets</b>	<b>23,478</b>	<b>15,530</b>

	2021 £'000	%	2020 £'000	%
<b>Analysis of scheme assets by class:</b>				
'Growth' Assets				
- Partners growth fund	8,217	35.0	4,706	30.3
- Fund of hedge funds	-	-	1,273	8.2
- Diversified growth funds	1,268	5.4	714	4.6
- Downside risk hedge	94	0.4	62	0.4
'Matching' Assets				
- Corporate bonds	2,371	10.1	1,600	10.3
- Gilts	10,659	45.4	6,600	42.5
- Cash and other	869	3.7	575	3.7
<b>Closing fair value of scheme assets</b>	<b>23,478</b>	<b>100.0</b>	<b>15,530</b>	<b>100.0</b>

#### Target asset allocation:

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

The group's contributions during the period amounted to £795,000 (2020: £747,000) and the agreed group contribution rate for the coming year is £867,000.

## FIRST CORPORATE CONSULTANTS LTD

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 25. NET DEBT RECONCILIATION

	At 1 July 2020 £'000	Cash flows £'000	At 30 June 2021 £'000
Cash at bank and in hand	16,550	(9,949)	6,601
Bank loans	(74,900)	14,225	(60,675)
<b>Net debt</b>	<b>(58,350)</b>	<b>4,276</b>	<b>(54,074)</b>

#### 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 £548,251 (2020: £561,860) 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 £42,000 (2020: £263,574) 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 £439,666 (2020: £nil) was advanced to a director of a subsidiary company, in cash, and an amount of £439,666 (2020: £nil) 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 £2,315 (2020: £nil) 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 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.