

**Company Registered Number 04323580**

**FIRST CORPORATE HOLDINGS LIMITED**

**Annual Report and Financial Statements**

**For the year ended 30 June 2018**



# **FIRST CORPORATE HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

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# **FIRST CORPORATE HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

J C Mordaunt  
T C Mordaunt  
Sir David Ord

### **SECRETARY**

I D Sharper

### **REGISTERED OFFICE**

Level 8  
71 Queen Victoria Street  
London  
EC4V 4AY

### **SOLICITORS**

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

### **PRINCIPAL BANKERS**

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

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Bristol  
United Kingdom

## **FIRST CORPORATE HOLDINGS LIMITED**

### **STRATEGIC REPORT**

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006. This strategic report has been prepared for the company and not for the group as a whole.

### **REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS**

The company's only source of income is dividends from its main trading subsidiary, First Corporate Shipping Limited ("FCS"). The results for the year are shown on page 8. Key performance indicators reviewed by the directors of FCS are detailed in that company's Annual Report and Consolidated Financial Statements.

An interim dividend of £962,011 (2017: £822,312) was paid during the year and a dividend of £4,928,758 (2017: £1,194,681) has been declared at the year-end.

### **FUTURE DEVELOPMENTS**

The directors remain confident for the company's future, with the business of FCS remaining strong.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's sole source of income is dividends from its main trading subsidiary, FCS. Therefore, the range of risks and uncertainties faced by the company is the same as that faced by FCS. 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 FCS's performance.

#### *Market conditions and competitive pressures*

Competitive pressure in the UK is a continuing risk for FCS, which could result in it losing sales to its competitors. FCS manages this risk by having fast response times to changes in ship arrival times and by close relationships with customers.

#### *Property*

FCS 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, FCS actively manages its estate to ensure that both the assets and the related revenues are maintained.

#### *Finance*

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

##### *a) Credit*

FCS's principal financial assets are bank balances, trade and other debtors. Its credit risk is primarily attributable to its trade debtors. 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. FCS has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

## FIRST CORPORATE HOLDINGS LIMITED

### STRATEGIC REPORT (continued)

#### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

##### *b) Cash flow*

FCS's activities expose it primarily to the financial risk of changes in interest rates. In the past, FCS endeavoured to limit the risk from fluctuating interest rates by fixing the majority of its loan interest exposure. However, given the prospect of low interest rates continuing, FCS is allowing the existing swap to lapse. FCS 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, FCS is financed through internally generated cash, term loans, mortgages and revolving credit. FCS has put in place banking facilities which are sufficient for its needs.

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



**J C Mordaunt**

Director

7 December 2018

## **FIRST CORPORATE HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2018. Financial risk management objectives and policies, future developments and dividends 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 principal activity of the company is to act as a holding company.

### **GOING CONCERN**

The company was profitable in the year. The directors have considered forecast profit and associated cash flows for the coming year. The directors have considered the facilities available to the entity through the group and are of the opinion that the company can operate within the facilities available for the period of the cash flow forecast.

### **DIRECTORS**

The directors during the year and subsequently were as follows:

J C Mordaunt  
T C Mordaunt  
Sir David Ord

### **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



**J C Mordaunt**  
Director  
7 December 2018

## **FIRST CORPORATE HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FIRST CORPORATE HOLDINGS LIMITED**

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its 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 of First Corporate Holdings Limited for the year ended 30 June 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's 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**

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

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

We have nothing to report in respect of these matters.

### **Other information**

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

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

We have nothing to report in respect of these matters.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FIRST CORPORATE HOLDINGS LIMITED (CONTINUED)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
**David Hedditch (Senior statutory auditor)**  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Bristol, United Kingdom  
7 December 2018

# FIRST CORPORATE HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 30 June 2018

	Note	2018 £	2017 £
Income from fixed asset investments		5,890,769	2,016,993
<b>PROFIT BEFORE TAXATION</b>		<b>5,890,769</b>	<b>2,016,993</b>
Tax on profit	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>5,890,769</b>	<b>2,016,993</b>

All results arise from continuing operations.

There are no other gains or losses during the current or the prior financial years other than as stated in the profit and loss account above. Accordingly, no separate statement of comprehensive income is given.

# FIRST CORPORATE HOLDINGS LIMITED

## BALANCE SHEET

At 30 June 2018

	Note	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Investments	6		79,656,000		79,656,000
<b>CURRENT ASSETS</b>					
Debtors	7	4,938,758		1,204,681	
Cash at bank and in hand		140		140	
		<u>4,938,898</u>		<u>1,204,821</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(34,584,898)</u>		<u>(30,850,821)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(29,646,000)</u>		<u>(29,646,000)</u>
<b>NET ASSETS</b>			<u>50,010,000</u>		<u>50,010,000</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	9		50,010,000		50,010,000
Profit and loss account			-		-
<b>SHAREHOLDER'S FUNDS</b>			<u>50,010,000</u>		<u>50,010,000</u>

The financial statements of First Corporate Holdings Limited, registered number 04323580, were approved by the Board of Directors and authorised for issue on 7 December 2018.

Signed on behalf of the Board of Directors



**J C Mordaunt**  
Director

**FIRST CORPORATE HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**At 30 June 2018**

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 July 2016</b>	50,010,000	-	50,010,000
Profit for the financial year	-	2,016,993	2,016,993
Total comprehensive income	-	2,016,993	2,016,993
Dividends paid on equity shares (note 5)	-	(2,016,993)	(2,016,993)
<b>At 30 June 2017</b>	50,010,000	-	50,010,000
Profit for the financial year	-	5,890,769	5,890,769
Total comprehensive income	-	5,890,769	5,890,769
Dividends paid on equity shares (note 5)	-	(5,890,769)	(5,890,769)
<b>At 30 June 2018</b>	50,010,000	-	50,010,000

# **FIRST CORPORATE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2018**

### **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 Holdings Limited 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 company's operations and its principal activities are set out in the strategic report and directors' report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention 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 company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. Consequently, the financial statements are presented in pounds sterling.

#### **Basis of preparation**

The financial statements contain information about First Corporate Holdings Limited as an individual company and do not contain consolidated financial information for the group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group is included by full consolidation in the consolidated financial statements of its ultimate parent, First Corporate Consultants Limited, a company registered in England and Wales.

#### **Exemptions**

The company has taken advantage of the following exemptions available under FRS 102 as equivalent disclosures have been given in the consolidated financial statements of First Corporate Consultants Limited which include the results of First Corporate Holdings Limited:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel compensation; and
- the exemption from certain financial instrument disclosures.

#### **Going concern**

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

#### **Income from fixed asset investments**

Income from fixed asset investments represents dividends receivable and is recognised on an accruals basis in the financial period for which the dividend has been declared.

## FIRST CORPORATE HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

#### 1. ACCOUNTING POLICIES (continued)

##### Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the 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 after deducting all of its liabilities.

##### (i) *Financial assets and liabilities*

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

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

Financial assets are derecognised when:

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

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

##### (ii) *Investments*

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

#### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of 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.

Given the nature of the company, the directors do not believe that there are any critical judgments which are made or any key sources of estimation uncertainty used in the preparation of the financial statements.

## FIRST CORPORATE HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

#### 3. INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT PERSONNEL AND EMPLOYEES AND AUDITOR'S FEES

The directors were the only employees of the company and are regarded as the key management personnel. The directors were paid for their services to the group by another group company, First Corporate Shipping Limited. It is not practicable to allocate their remuneration between their services to the various companies.

The fee for the audit of the financial statements of £500 (2017: £500) was borne by the ultimate parent company and not recharged.

#### 4. TAX ON PROFIT

There is no tax charge for the current or the prior financial years as profit before taxation is franked investment income which is not taxable under current UK legislation.

#### 5. DIVIDENDS

	2018 £	2017 £
Interim paid 1.9p per share (2017: 1.6p)	962,011	822,312
Final declared 9.9p per share (2017: 2.4p)	4,928,758	1,194,681
	<u>5,890,769</u>	<u>2,016,993</u>

#### 6. INVESTMENTS

	Shares in subsidiary undertakings £
<b>Cost and net book value</b>	
At 1 July 2017 and at 30 June 2018	<u>79,656,000</u>

The investment is in First Corporate Shipping Limited, which is incorporated in England and Wales and whose registered office is Level 8, 71 Queen Victoria Street, London, EC4V 4AY. The company provides port facilities, cargo handling and storage facilities.

At 30 June 2017, the investment represented 54% of the ordinary shares and voting rights and 57% of the preferred 'B' shares. During the year, First Corporate Shipping Limited purchased some ordinary shares from a minority shareholder with the result that the company's investment at 30 June 2018 represents 57% of the ordinary shares and voting rights and 57% of the preferred 'B' shares.

## FIRST CORPORATE HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

#### 7. DEBTORS

	2018 £	2017 £
Amounts owed by group undertakings	4,938,758	1,204,681

Amounts owed by group undertakings are repayable on demand.

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

	2018 £	2017 £
Amounts owed to group undertakings	29,656,140	29,656,140
Declared dividends	4,928,758	1,194,681
	34,584,898	30,850,821

Amounts owed to group undertakings are repayable on demand.

#### 9. CALLED-UP SHARE CAPITAL

	2018 £	2017 £
Allotted, called-up and fully paid		
50,010,000 Ordinary shares of £1 each	50,010,000	50,010,000

##### 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.

#### 10. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption contained in FRS 102 which does not require the company to disclose transactions with other wholly-owned group undertakings.



## **FIRST CORPORATE HOLDINGS LIMITED**

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

**For the year ended 30 June 2018**

#### **11. PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate and ultimate parent undertaking and controlling party at the year-end is First Corporate Consultants Ltd, a company incorporated in Great Britain and registered in England and Wales. This is also the smallest and largest group into which the results of First Corporate Holdings Limited are consolidated. Mr T C Mordaunt has a majority interest in First Corporate Consultants Limited and is considered to be the ultimate controlling party.

The registered office of First Corporate Consultants Ltd is the same as the company's and is disclosed on page 1. Copies of the group financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.