Annual Report and Accounts

Year ended 31 March 2007

AssetCo

Company Information

Company registration number		4966347
Registered office		800 Field End Road South Ruislip Middlesex HA4 0QH
Directors		Tim Wightman John Shannon (Appointed 30 March 2007) Frank Flynn (Appointed 30 March 2007) Adrian Bradshaw David Chisnall
Secretary		Michael Lavender (Appointed 30 March 2007)
Bankers	Bank of Scotland (Ireland) Donegall Square West Belfast BT1 2GB	HBOS plc The Mound Edinburgh EH1 1YZ
Solicitors	Mills Selig 21 Arthur Street Belfast BT1 4GA	Nabarro Lacon House 84 Theobald's Road London WC1X 8RW
Auditor		Grant Thornton UK LLP Churchill House Chalvey Road East Slough Berkshire SL1 2LS
Nominated adviser, financial adviser and corporate broker		Hoare Govett Limited 250 Bishopsgate London EC2N 4AA
Registrar		Computershare Investor Services plc PO Box 1075 The Pavillion Bridgewater Road Bristol BS99 3FA
Website		www.assetco.com

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Chairman's Statement

Introduction

This is my first Chairman's statement since the takeover of AssetCo Group Limited by Asfare Group plc and the successful share placing which resulted in the creation of AssetCo plc as we now know it.

I would like to take this opportunity to welcome all shareholders to the new company and thank them for their support. I would also like to thank the executive team, the board and all staff for their hard work during the year and particularly through a transaction which was complex and time consuming, but ultimately rewarding.

The transaction to create AssetCo plc was the dominating development of the year under review, however it was also a period of impressive organic growth in profitability reflecting the strategy of the business to capitalise on its managed service first mover advantage in the Fire and Rescue market. AssetCo now has a platform to achieve its plans to increase profitability through contract wins, expansion of existing contracts, extension of its product portfolio and by continued acquisition.

We ended the year with strong trading in the final quarter supported by organic and acquisition led growth and this has continued into the first quarter of the current financial year. This buoyant performance is anticipated to be deliverable on a sustainable basis. In addition the integration synergies of the combined businesses will start to take effect from quarter two.

Pro-forma financial results (see page 9) and statutory financial results (see page 26)

The Group as it now stands only traded for one day of the year under review. Consequently, in line with the approach taken in the Admission Document, the financial review is presented in a pro-forma format which consolidates the performance of the constituent companies for the whole year.

I am pleased to be able to report a strong performance for the year with turnover of £102.6m, in line with the forecast contained within the Admission Document (£103.2m), EBITDA of £19.6m and pre-tax profit before amortisation of £6.4m against a forecast of £17.9m and £6.2m.

The audited consolidated profit and loss account on page 26 shows a profit before tax of £726,000, an increase of £368,000 over the previous year. EBITDA, excluding exceptional redundancy costs of £267,000, was £1.4 million.

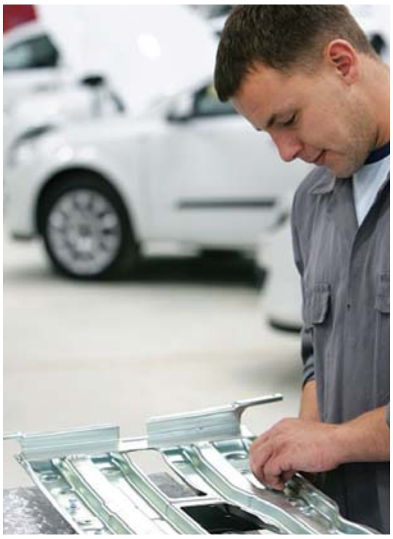
Organisation

Following the transaction, the business has been organised into two independent trading divisions: Emergency Services and Emergency Equipment.

Emergency Services Division

This division owns, manages, maintains and ensures the availability of approximately 650 fire and rescue vehicles and over 50,000 items of operational equipment for the London Fire Brigade (LFB) and Lincolnshire Fire & Rescue Service (LFR). To put this in perspective, this represents around 11% of England's front line pumping appliances and associated operational equipment.

The LFB and LFR contracts are the first to be outsourced to the private sector. The LFB contract was secured in November 2001



and LFR in April 2006. Both contracts are for 20 years with an estimated total value over the contract period of approximately £500 million.

Demand for outsourcing Fire and Rescue operational support is driven by recent changes in legislation that place statutory duties on individual Fire and Rescue Authorities (FRAs) to respond to a wider range of threats to public safety and to focus core activities on community safety initiatives whilst operating in an environment striving for improved efficiency and cost reduction.

AssetCo provides operational excellence, long term capability, and sustainable managed service solutions for the Fire and Rescue Service. The Group has an enviable track record in exceeding critical service level agreements and an in-depth operational infrastructure expertise which is unrivalled in the market place. As the provider of the only two contracts of this type so far awarded in the UK it is well positioned for success in this new and growing market.

Emergency Equipment Division

In addition to a current client base that includes all the UK's FRAs and other Emergency Service agencies, this division provides the equipment required to support the managed service requirements of the Emergency Services Division.

AssetCo's Emergency Equipment Division is the result of the Group's successful history of strategic acquisitions. It comprises Papworth Specialist Vehicles - specialists in the design, build, conversion and assembly of emergency vehicles, acquired in 2003 and Fire Safety Equipment (FSE), a distributor of hydraulic rescue equipment acquired in December 2006. This division also includes AS Fire and Rescue, Collins Youldon, and Todd Research, all market leading equipment suppliers which were part of Asfare Group plc.

Our fast, focused and successful integration of these complementary businesses has brought together leading manufacturers and distributors and provides our clients with the most comprehensive range of equipment available from one supplier. In addition to the value added service this brings our clients in the Fire and Rescue Authorities, Ambulance Trusts and Police Authorities, our approach has enabled AssetCo to exercise greater control over the supply chain and equipment costs, an essential component of delivering high availability, high performance managed service contracts.

With the integration and organisation of these companies as one specialist division, AssetCo is now an approved supplier of essential equipment into the Fire and Rescue Service, and an approved vehicle supplier to the police services and NHS. From this platform the Group is strongly positioned to expand its services portfolio throughout the wider UK and global Emergency Services markets.

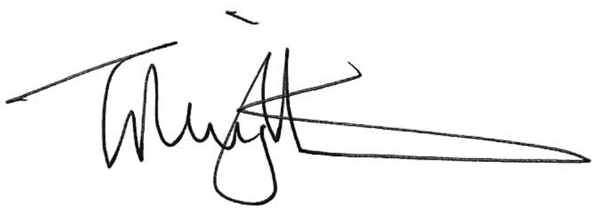
Current trading

Trading in quarter one is ahead of the Board's expectations. Trading conditions around the Group remain favourable and opportunities are increasing in all key areas of business activity.

Outlook

AssetCo has critical mass in terms of people, expertise, experience, turnover and profit. It has first mover advantage in the supply of outsourced fire brigade services and is a key product supplier to the sector throughout the UK and beyond.

The value AssetCo can contribute has now been proven and with eight FRAs in advanced stages of evaluating the move to an outsourced model, the immediate and long term future for AssetCo has never looked better. We therefore enter the new financial year with optimism and confidence.



Timothy Wightman
Chairman

Report of the Chief Executive Officer

Introduction

The first full year following the AssetCo Group Limited Management Buy-in/Buy-out in October 2005 has been a challenging but thoroughly rewarding period as we continue to deliver the strategy of repositioning the business from its utility fleet management origins into a provider of support services to the Fire and Rescue and broader Emergency Services market. We have established a solid platform from which to deliver our forecast organic growth and to continue to identify value enhancing acquisitions.

As outlined in the Chairman's statement, the Group will now report on a divisional basis both to reflect our market positioning and to maximise transparency. Similarly, as acquisition accounting has been adopted the statutory accounts include Asfare for the full financial year and AssetCo for one day post transaction, we have provided combined pro forma statements for the whole year.

Pro-forma financial results (see page 9) and statutory financial results (see page 26)

Our business model has been created to deliver long term sustainable earnings. For the year to 31 March 2007 we delivered EBITDA of £19.6m and pre-tax profit before amortisation of £6.4m against a forecast of £17.9m and £6.2m as contained within the Admission Document.

The audited consolidated profit and loss account on page 26 shows a profit before tax of £726,000, an increase of £368,000 over the previous year. EBITDA, excluding exceptional redundancy costs of £267,000, was £1.4m.

Integration

We are pleased with the progress being made integrating the AssetCo and Asfare businesses, which is on target. Our integration efforts have concentrated on enhancing our service delivery capabilities through focussed investment, co-ordinating product sales across the Group and accelerating our research and development programmes.

Emergency Services Division

Our strategy is to build this support services division into an international business which meets the needs of a world where demands now range from routine fire and rescue emergencies to the very real likelihood of terrorist attacks.

There are 59 FRAs in total in the UK and only two have awarded contracts to date – both to AssetCo. In addition to building revenue streams from these existing contracts our objective is to gain further FRA managed service contracts, building on our first mover advantage.

In the UK we currently supply the London Fire Brigade (LFB), the third largest Emergency Service in the world, and Lincolnshire Fire and Rescue Service (LFR), one of the largest rural FRAs in the UK.

The LFB contract had an initial value of £292m which is now estimated to be £400m. This increase in value is derived from the demand for more services and additional equipment as a result of the growth in responsibilities experienced by the Fire Service as a whole, as well as the purchase of new services introduced by AssetCo. We are also engaged in a number of other projects with both London and Lincolnshire which provide new revenue opportunities beyond the scope of these initial contracts.

Of the remaining 57 FRAs in the UK, eight are currently in advanced stages of evaluating the move to an external supply for their Fire and Rescue equipment and related services.

A contract is also being tendered for the supply of a National Resilience managed service as part of the Government's New Dimension programme.

These projects have a potential whole life value of approximately £600 million over 20 years. The first of these contracts, in line with our forecasts, is expected to be awarded at the end of 2007, with the balance being awarded during 2008/9.

Market conditions continue to offer improved prospects for the Group's services and, in particular, the Managed Service offering.

The Fire and Rescue Service (FRS) depends on the Comprehensive Spending Review (CSR) to set budgets for forthcoming years. Currently there is a delay in announcing the 2008/9 budget levels and, when announced, these are expected to be at a 'standstill' creating yet further pressure on Service spending. This is at a time when the FRAs are being asked to take on more and more responsibilities in line with the National Framework targets. Additionally the theme of diversity continues to build pace in the Fire Service and will begin to have an impact on the design of vehicles and equipment and the associated methods of operation - all creating a need for further investment. We therefore see these pressures adding to the interest in the Group's services with the following outcomes:

1. The CSR delay and standstill settlement are likely to constrain FRAs' budgets yet further. Implication: Chief Fire Officers will review non core activities more aggressively and, for the first time, be forced to give serious consideration to the more cost effective AssetCo solution.

2. The drive for diversity in the FRAs is adding complexity. Implication: complexity drives up cost and requirement and, against a background of limited expenditure, our managed service model will become more attractive.

3. Individual FRAs are looking to collaborate with neighbouring authorities to increase efficiency. Implication:- Groups of FRAs will combine to outsource requirements. Potentially, after a collaboration phase, our pipeline could accelerate as clients come to market in larger groups.

Whilst the FRS remains our core revenue source within this division we continue to build upon and extend our services to other Emergency Service providers where our business model and product offering can offer significant benefit. These include the Police and Ambulance Services to which we currently provide support under our Emergency Equipment Division in terms of vehicle build and assembly. The Emergency Services Division will be looking to benefit from these existing relationships.

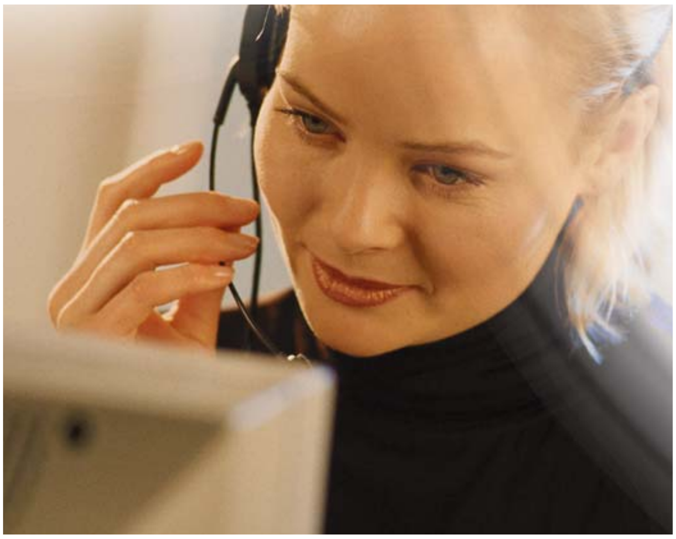
Given that potential clients are faced with expenditure constraints, growing complexity through wider remits and the diversity agenda, and the drive for greater efficiency (better value for money), it is not surprising they often need assistance in evaluating their options. The ability to provide independent advice on 'best practice and best value' is an obvious but valuable entry point. In order to support these client evaluations and bolster the management of this entry point we acquired Simentra Consulting in April 2007. Simentra is an established consulting business with a brand in homeland security and civil contingency planning. We believe this acquisition will enable us to bring clients to market more rapidly and provide further entry points for the core product and related services growth.

Emergency Equipment Division

The Emergency Equipment Division was formed principally from the integration of the Asfare businesses and Fire Safety Equipment (FSE), which was acquired by AssetCo in December 2006. When combined with Papworth Specialist Vehicles, acquired in October 2003, we now bring to market a division strategically focused on delivering a fully integrated product supply chain with extensive knowledge and experience in the design, build and conversion of specialist emergency vehicles.

This unique combination enables our clients to select an extensive range of specialist vehicles and a full range of operational equipment from just one company.

Our current equipment range includes market leading products such as Holmatro Hydraulic Rescue Equipment, AS Fire and Rescue ladders, gantries, roller shutters and equipment carriers, Collins Youldon hose reels and a range of product variations.



Papworth Specialist Vehicles converted over 2,000 vehicles for police services and, within the ambulance sector, over 100 front-line and high dependency unit ambulances were built for NHS, private and charity status clients in 2006. Our engineering - led approach to providing client solutions saw the launch of a lightweight van-based ambulance and further progress in operational improvements to our modular box body conversion.

Papworth Specialist Vehicles was recently awarded a four year framework agreement for the supply of pumping appliances to the FRS. In addition the company became an approved NHS supplier for fast response vehicles, a status already held for Accident and Emergency and Patient Transport vehicles.

Innovation and co-ordinated client account management is key to building this business and we are currently developing a number of product enhancements as well as broadening our product portfolio through strategic alliances with best in class original equipment manufacturers (OEMs).

The forward order book for this division remains strong and we believe it will continue to grow as the synergies of the division are further leveraged.

Strategy

We are endeavouring to broaden our service capabilities beyond our current expertise in specialist vehicle and equipment managed services and to replicate our success in the FRS across the other Emergency Services. We will seek to identify acquisition opportunities that further embed us in our target markets and where we may continue to benefit from first mover advantage and where the opportunities for growth are significant.

Outlook

The agenda of the FRAs will continue to provide the Group with exciting opportunities and we are well placed to compete for these contracts. The market, as stated at the time of the Admission Document, is moving swiftly towards full outsourced services. As the operator of the first two outsourced contracts, AssetCo is well placed to win a significant percentage of this emerging sector.

AssetCo can now leverage the client relationships held between the Emergency Equipment Division and its core target of the remaining 57 FRAs which are yet to outsource their managed services. We will continue to seek to grow the business both organically and through acquisitions where we can identify opportunities to increase value to shareholders.

John Shannon
Chief Executive

Un-audited pro-forma profit and loss account

	2007 £'000	2006 £'000
Turnover	**102,562**	67,024
Cost of sales	**(73,879)**	(54,107)
Gross profit	**28,683**	12,917
Administrative expenses excluding depreciation and amortisation	**(9,064)**	(4,445)
EBITDA	**19,619**	8,472
Depreciation	**(9,493)**	(5,235)
Interest receivable and similar income	**54**	96
Interest payable and similar charges	**(3,771)**	(1,893)
Profit on ordinary activities before amortisation and taxation	**6,409**	1,440
Amortisation	**(2,336)**	(1,197)
Profit on ordinary activities before taxation	**4,073**	243

The unaudited pro-forma profit and loss account assumes that both AssetCo Group Limited and Asfare Group plc had been trading as one entity since October 2005. The 2006 comparative figures include the results of AssetCo Group Limited from October 2005 to 31 March 2006 and a full year's trading of Asfare Group plc to 31 March 2006.

The audited consolidated balance sheet on page 27 reflects Asfare Group plc's acquisition of AssetCo Group Limited.

Report of the Chief Financial Officer

Introduction

I am pleased to submit my first report as the Chief Financial Officer of AssetCo plc.

The year ended on a successful note with the acquisition of AssetCo Group Limited by Asfare Group plc (now "AssetCo plc" or "the Group") taking place on 30 March 2007.

As noted by the Chief Executive Officer in his report on page 6, by combining Asfare and AssetCo, the Enlarged Group is ideally placed to capitalise on its first-mover advantage in total managed services for the Emergency Services.

Accounting treatment

The directors have decided to account for the combination using conventional acquisition accounting which follows the legal reality of what occurred, although the transaction qualified as a reverse acquisition under the AIM rules.

Under Rule 14 of the AIM rules, a reverse acquisition would result if, following the transaction, the company already listed on AIM saw a "fundamental change in its business, board or voting control". In addition, the AIM rules list a series of class tests which are used to compare the relative sizes of the combining entities.

Under UK company law and UK accounting standards, reverse acquisition accounting is not recognised. To adopt such a method of accounting would require a departure from the Companies Act and accounting standards and is only justified in order to give a true and fair view.

The directors believe that the legal reality of the transaction, in which Asfare Group plc purchased AssetCo Group Limited for consideration of £92.5 million should be reflected in the Group's financial statements. It is the opinion of the directors that by accounting for the transaction using conventional acquisition accounting, a true and fair view is achieved.

Although under United Kingdom Generally Accepted Accounting Principles ("UK GAAP") reverse acquisition accounting is not recognised, this will be the last set of our financial statements that are prepared using this framework. With effect from the 1 April 2007, our financial statements will be prepared under International Financial Reporting Standards ("IFRS") and the treatment of the acquisition will be revisited.

New capital

As part of the acquisition, 13,793,104 ordinary shares were placed with institutional investors, representing 20.5% of the share capital of the Enlarged Group, and £20 million of new cash was raised. The net cash received of approximately £16.8 million, after deducting costs associated with the takeover, was used to repay some of the existing borrowings of the Group and to fund working capital. A sum of £10 million was used to acquire the preference shares in AssetCo Group Limited which had been retained by the previous owners of that company.

Shareholder value

At the start of the year, the share price was 78.5 pence. At the time of writing this has increased to 199.5 pence valuing the Group at approximately £134.1 million.

Review of business

Acquisitions

During the period under review, four additional acquisitions have been successfully completed.

Collins Youldon

In June 2006, Asfare Group plc acquired the business and assets of Collins Youldon Limited, a company that manufactures hose reels, cable drums and related products supplying both the fire and vehicle tanker industries.

Fire Safety Equipment Limited

In December 2006, AssetCo completed the acquisition of the entire issued share capital of Fire Safety Equipment Limited (FSE). FSE has a long history of supplying equipment to the emergency market including fire extinguishers, lighting, fans and pumps. FSE has the rights to distribute hydraulic rescue equipment manufactured by Holmatro. Holmatro is considered to be a world-leader in this field.

Simentra Limited

In April 2007, the Group acquired all of the issued share capital of Simentra Limited. Simentra provides specialist consultancy services to the homeland security and civil contingency planning markets. Simentra utilises a wide range of security professionals who have experience at all levels of Emergency Services operations.

Blue Amber Red Limited

More recently, in June 2007 the Group acquired the entire issued share capital of Blue Amber Red Limited. The principal activity of Blue Amber Red Limited is the import, design, manufacture and distribution of specialised lighting to the Emergency Services market.

Other acquisitions, joint ventures and strategic alliances are currently under consideration and are focused on broadening our managed service offering to the Emergency Services market.

Balance sheet

The consolidated balance sheet on page 27 shows net assets of the Group of £103.9 million.

The goodwill of £112.1 million largely arises from the acquisition of AssetCo Group Limited (£108.8 million). The directors believe that the value of the goodwill is supported by the underlying nature and performance of the business acquired which has two long-term contracts with the London Fire and Emergency Planning Authority ("LFEPA") and the Lincolnshire Fire and Rescue Service (LFR).

The twenty-year Private Finance Initiative contract with the LFEPA commenced in February 2001 and was valued at £292 million. This is now estimated to be worth £400 million over the life of the contract.

In April 2006 the Group commenced a twenty-year contract with LFR. The contract, worth over £60 million, covers the procurement, supply, maintenance and lifecycle replacement of LFR's fleet, fire and rescue vehicles and operational equipment. LFR's vehicles and equipment are currently on contract hire from a third-party supplier. As these reach the end of their existing contracts, they will be replaced with vehicles and equipment owned by AssetCo. The replacement programme is on target to commence in June 2007 and will result in 60 fire appliances being supplied to LFR over a period of two years.

Both of these long-term contracts are profitable and with remaining lives of 14 and 19 years respectively support the assertion of the directors that significant value can be attributed to these arrangements.

Research and development projects

As part of our ongoing commitment to delivering the most technologically advanced equipment to both the LFEPA and LFR, the Group is engaged in research and development projects that are designed to find innovative solutions to meet the challenges and changing needs of the Emergency Services sector.

Pro-forma un-audited profit and loss account (see page 9)

As the acquisition took place on 30 March 2007 there is only one day's trading of the former AssetCo companies incorporated into the consolidated profit and loss account on page 26. In order to aid the reader of the financial statements, set out on page 9 is a pro-forma unaudited profit and loss account which shows the result of the Group for the year ended 31 March 2007 as though the transaction had occurred on 1 April 2006. The pro-forma statement therefore includes the full year's trading for both the former AssetCo and Asfare Groups.

On a pro-forma basis, the new Group has delivered a combined turnover of £102.6 million producing a profit before tax of £4.1 million for the year ended 31 March 2007.

EBITDA, before exceptional redundancy costs of £267,000, was £19.6 million.

Pro-forma profit forecast

Our performance compared to the published profit forecast, contained within our Admission Document, is given below. The forecast figures assume that the transaction occurred on 1 April 2006 and that a full year's results are combined for both the former AssetCo and Asfare Groups.

£million	Actual	Forecast	Variance	Variance (%)
Turnover	**102.6**	103.2	(0.6)	(0.6)
EBITDA	**19.6**	17.9	1.7	9.5
Profit before tax and amortization	**6.4**	6.2	0.2	3.2

Profit and loss account

The statutory consolidated profit and loss account on page 26 shows a profit before tax of £726,000 compared to £358,000 for the year ended 31 March 2006. This represents an increase of £368,000 (103%). Operating profit increased by £429,000 (94%) and has been helped by the acquisition of Collins Youldon which has added £2.6 million to turnover during the year.

Earnings per share are 10.6 pence compared to 7.0 pence for the previous year.

Included within the result for the year are exceptional costs of £267,000 relating to the redundancy costs of Tim O'Connor and Tony O'Neill, two former directors of the Group.

EBITDA, excluding the exceptional redundancy costs, was £1.4 million.

Dividend

A dividend has not been declared during the period. The Board intends to adopt a progressive dividend policy taking into account the earnings potential of the Group and the growth and development opportunities available, while maintaining appropriate levels of dividend cover.

Net debt

Forecast net debt was £52.7 million at 31 March 2007 which is in line with our actual net debt of £53.5 million.

The Group is currently in negotiations with all providers of finance with a view to either consolidating existing facilities or extending repayment terms to mirror the useful economic lives of the underlying assets.

During the year, cash increased by £2.1 million across the Group.

Outlook

Our ongoing focus is to concentrate on the Emergency Services market.

We will continue to strive to reduce the cost base that the Group inherited from its previous owners with a view to moving to a more variable cost base and we have now exited the majority of our low-margin fleet management contracts. FY08 will focus on delivering the synergies from the integration of the companies recently acquired and on the continuous profit improvement programmes in our core long-term contracts.

Frank Flynn
Chief Financial Officer

Report of the Directors

The directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2007.

Principal activities

The principal activity of the Group is the provision of support services to the Emergency Services market. Other Group companies are engaged in the supply of specialist equipment.

There have been no significant changes to the principal activities of the Group companies during the year.

Review of business and future developments

Further information relating to the performance of the business, and an indication of likely future developments, is given in the Chairman's Statement on pages 4 to 5 and the report of the Chief Executive Officer on pages 6 to 8.

The directors utilise various Key Performance Indicators (KPIs) to measure the performance of the business. These include EBITDA and net debt. The directors are pleased with the Group's performance against these KPIs.

Results and dividends

The results for the year are set out in the consolidated profit and loss account on page 26. This shows a Group profit after taxation of £491,000 (2006: £313,000).

A dividend has not been declared.

Basis of accounting

On 30 March 2007, Asfare Group plc (now "AssetCo plc") acquired all of the issued share capital of AssetCo Group Limited. By reason of the size of AssetCo Group Limited relative to Asfare Group plc and the fundamental change in the composition of the Board of directors and voting control, the acquisition was classified as a reverse takeover under the rules of the Alternative Investment Market (AIM) of the London Stock Exchange.

However, the directors are of the opinion that the legal reality of the transaction presents a true and fair view and therefore the business combination has been accounted for using conventional acquisition accounting.

Reverse acquisition accounting is not recognised under UK accounting standards and represents a departure from the Companies Act 1985.

Directors

The directors who held office during the year were as follows:

Tim Wightman	(non-executive Chairman)
David Chisnall OBE	(non-executive)
Adrian Bradshaw	(non-executive)
Tony O'Neill	(resigned 30 March 2007)
Tim O'Connor	(resigned 30 March 2007)
John Shannon	(Chief Executive Officer – appointed 30 March 2007)
Frank Flynn	(Chief Financial Officer – appointed 30 March 2007)

Biographical details of the directors of the Company can be found on page 52.

Tim Wightman and Adrian Bradshaw both serve on the Audit Committee, Remuneration Committee and Nominations Committee. The responsibilities of these committees are outlined in the "Corporate governance" section of this report.

In accordance with the Articles of Association, the Director retiring by rotation is Tim Wightman and the directors retiring by virtue of having been appointed by the Board during the year are John Shannon and Frank Flynn who, being eligible, offer themselves for re-election at the Annual General Meeting.

Directors' shareholdings

The interests of the directors in the shares of the Company were as follows:

Executive Directors	At 1 April 2006	At 31 March 2007
John Shannon	-	26,963,327
Frank Flynn	-	7,137,351
Non-Executive Directors		
Tim Wightman (1)	532,083	532,083
David Chisnall OBE	648,750	648,750
Adrian Bradshaw (2)	267,917	267,917

(1) Tim Wightman is interested in 158,333 of the ordinary shares set out against his name by reason of his wife's beneficial ownership of those shares.

(2) Adrian Bradshaw is interested in 16,667 ordinary shares set out against his name, held in the Bradmount SSAS pension scheme.

No director has or had a material interest in any contract or arrangement to which the Company or any subsidiary is or was a party.

There were no third party indemnity provisions for directors in place during the year or at the date this report is approved.

On 20 April 2007, Frank Flynn purchased 40,250 ordinary shares. Of the shares purchased, 35,000 were acquired with a view to gifting them to the former employees of the AssetCo Group. Although the shares were purchased in the name of Frank Flynn, they were jointly paid for with John Shannon. The remaining holding of 5,250 shares was gifted to the father of Frank Flynn.

Directors' shareholdings cont.

On 27 April 2007, David Chisnall OBE sold 100,000 ordinary shares.

The market price of the ordinary shares at 1 April 2006 was 78.5 pence and the range during the year was 74.5 pence to 177 pence.

Service contracts

The executive directors, John Shannon and Frank Flynn, were awarded service contracts on 5 March 2007 of unlimited duration which are terminable, at any time by either party, by giving written notice of six months.

The non-executive directors, Tim Wightman, David Chisnall OBE and Adrian Bradshaw, were awarded service contracts on 5 March 2007 for two years and thereafter terminable on written notice of three months by either party.

Due to the ability of the service contracts of the non-executive directors to continue after their specified terms unless notice is otherwise served, the Company has not complied with the provisions of the Combined Code on Corporate Governance (see "Corporate governance" page 17).

The terms and conditions of appointment of the non-executive directors are available from the Company Secretary.

Share options

The Group currently has share options for the Group's shares which were granted to directors and other senior employees. The share options currently in existence are as follows:

Name	Parties	Exercise price	No. of shares	Exercise period
Tim Wightman	Director	100p	105,000	5 December 2003 to 4 December 2013
David Chisnall OBE	Director	100p	80,000	5 December 2003 to 4 December 2013
Adrian Bradshaw (1)	Director	100p	105,000	5 December 2003 to 4 December 2013
Other employees	Other	100p	65,000	11 December 2003 to 10 December 2013
Other employees	Other	145p	1,381,205	30 March 2010 to 30 March 2017

(1) The options set out against the name of Adrian Bradshaw were granted to Bradmount Investments Limited acting as nominee for Adrian Bradshaw and Peter Mountford in equal shares. Both Adrian Bradshaw and Peter Mountford are directors and shareholders of Bradmount Investments Limited.

Tony O'Neill and Tim O'Connor were previously granted share options over 120,295 and 21,872 shares respectively at an exercise price of 90p. These options were cancelled as part of a compromise agreement entered into on 30 March 2007.

As noted above, following the successful completion of the takeover on 30 March 2007, 1,381,205 share options were issued to senior employees of the Group. These options are exercisable within three to ten years of the date of grant and were the only options granted during the year.

No share options were exercised during the year.

Warrants

The Group has warrants which have been granted in respect of an aggregate of 420,000 ordinary shares, of which 315,000 are held by the directors as follows:

Name	Parties	Exercise price	No. of shares	Exercise period
Tim Wightman	Director	125p	105,000	12 December 2003 to 11 December 2008
David Chisnall OBE	Director	125p	105,000	12 December 2003 to 11 December 2008
Adrian Bradshaw	Director	125p	105,000	12 December 2003 to 11 December 2008
Peter Mountford	Other	125p	105,000	12 December 2003 to 11 December 2008
			420,000	

No warrants were exercised or granted during the year.

Substantial shareholdings

At 26 June 2006 the Group has been notified of the following interests of 3% or more in the issued ordinary share capital of the company:

% of issued share capital	No. of shares	
40.1%	26,963,327	**John Shannon**
10.6%	7,137,351	**Frank Flynn**
6.3%	4,350,000	**Schroder Investment Management**
5.0%	3,401,000	**JO Hambro Capital**
4.2%	2,775,637	**Denis Mellon**
4.2%	2,775,637	**David Smith**
3.6%	2,428,682	**Pelham Olive**

Charitable donations

During the year, the Group made donations of £1,000 to local charities.

Principal risks and uncertainties

The directors continuously monitor the business and markets within which the Group operates in order to deal with any significant risks or uncertainties as they arise.

Going concern

Based on the plans of the Group for the forthcoming year and after making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Branches

The Group has no overseas branches.

Post balance sheet events

On 16 April 2007, the Company acquired the entire issued share capital of Simentra Limited. The principal activity of Simentra Limited is the provision of consultancy services in the emergency sector.

On 13 June 2007, the Company acquired the entire issued share capital of Blue Amber Red Limited, a company incorporated in England and Wales. The principal activities of Blue Amber Red Limited are the import, design, manufacture and distribution of specialised lighting for the emergency sector.

Corporate governance

As an AIM listed company, AssetCo plc is not required to comply with all of the Listing Rules. However, the Company has chosen to disclose the following information on corporate governance.

The Listing Rules of the Financial Services Authority require listed companies to disclose how they have applied the principles set out in Section I of the Combined Code prepared by the Committee on Corporate Governance and whether they have complied with the provisions throughout the period.

The Company is committed to high standards of corporate governance and the Board acknowledges that it is accountable to the Company's shareholders on such matters.

The Board

The Board consists of two executive and three non-executive directors. The executive directors provide a direct line of control between the Company and its operating businesses. The non-executive directors, who are all considered to be independent, provide a balance to the Board and bring a wide breadth of experience.

The Board meets on a monthly basis and has a formal schedule of matters reserved for its consideration and decision. These matters include the approval of the financial and commercial strategy, dividend policy, annual and interim results, review of major investments, internal controls and performance as well as reporting to shareholders. The schedule is reviewed on an annual basis.

The senior independent director is Adrian Bradshaw.

Operational decisions are delegated to members of the senior management team.



The Board (continued)

All directors have access to the advice and services of the Group Company Secretary and may also seek independent professional advice and training, at the expense of the company, if required to carry out their duties.

The Board carries out rigorous reviews of its own performance and that of its committees. Formal individual performance reviews are also conducted. In addition, the close-working nature of the Board is such that an under-performance would be immediately apparent. The Chairman explicitly encourages any Board member with concerns over the performance of an individual director to identify those to himself or the senior independent director at any time.

Committees

The Board has established an audit committee (Adrian Bradshaw, Chairman), remuneration committee (Tim Wightman, Chairman) and nominations committee.

The terms of reference of each of the committees are available from the Company Secretary.

Audit committee

The audit committee, which convenes every six months, has primary responsibility for monitoring the quality of internal controls and for ensuring that the financial performance of the Group is properly measured and reported on, as well as reviewing reports from the Group's auditors relating to the Group's accounting and internal controls, in all cases having due regard to protecting the interests of the shareholders.

The committee also reviews the independence and objectivity of non-audit services supplied by the external auditors to the Group, seeking to balance objectivity and value for money taking into account relevant ethical guidance.

Remuneration committee

The remuneration committee will determine the terms and conditions of service of the executive directors, including their remuneration and grant of options.

The policy of the committee is to implement packages that are closely aligned to market standards and best practice.

The committee believes that the directors should be retained and appropriately rewarded. Annual bonuses should be performance-related and linked to the principal corporate objective of increasing shareholder value.

Should an executive director wish to take up an external appointment, approval must be sought from the Chairman and Chief Executive Officer of the Group.

The non-executive directors are paid a fee for their services and do not qualify for performance bonuses.

Remuneration of the directors

The remuneration of the executive directors and fees paid to the non-executive directors during 2007 and 2006 are as follows:

	Salary 2007 £'000	Bonus 2007 £'000	Benefits in kind 2007 £'000	Total emoluments 2007 £'000	Total emoluments 2006 £'000	Pension contributions 2007 £'000	Pension contributions 2006 £'000
John Shannon	-	-	-	-	-	-	-
Frank Flynn	-	-	-	-	-	-	-
Tony O'Neill	113	18	-	**131**	85	**19**	13
Tim O'Connor	91	13	-	**104**	60	**10**	7

The Group entered into compromise agreements on 5 March 2007 with Tony O'Neill and Tim O'Connor for £258,250 and £160,000 respectively. Both amounts were fully provided for at 31 March 2007.

Non-executive directors' remuneration

	Fees 2007 £'000	Fees 2006 £'000
Tim Wightman	**51**	24
David Chisnall OBE	**64**	158
Adrian Bradshaw	**49**	18

See note 19.

Nominations committee

The Nominations Committee makes recommendations to the Board for the appointment of replacement or additional directors. It is also responsible for succession planning within the Group.

Other than the appointment of the executive directors as part of the acquisition, there were no other appointments to the Board of directors during the year.

It is the policy of the committee to use an external search consultancy when seeking to appoint a new director.

Internal control

The Board is responsible for maintaining a sound system of internal controls to safeguard the investment of shareholders and the assets of the Group.

The directors monitor the operation of the internal controls. The objective of the system is to safeguard the assets of the Group, to ensure proper accounting records are maintained and to ensure that the financial information used within the business, and for publication, is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance, against material misstatement or loss.

Internal control procedures undertaken by the Board include:

- A clearly defined organisation structure with formal lines of authority, accountability and responsibility;
- Review of monthly financial reports and monitoring of performance;
- Prior approval of all significant expenditure including all major investment decisions; and
- Regular assessment of major business, investment and financing risks.

The Board has reviewed the operation and effectiveness of the Group's system of internal control for the financial period and the period up to the date of approval of the financial statements.

Internal audit function

Prior to the acquisition, the size and nature of the operations of the Group did not warrant the establishment of an internal audit function. The audit committee will consider whether an internal audit function should be implemented for the enlarged Group.

Attendance at meetings

The number of Board and Committee meetings attended by each of the directors during the year was as follows:

Name	Main Board Meetings	Audit Committee	Remuneration Committee	Nominations Committee
Executive Directors				
John Shannon	1 (1)	-	-	-
Frank Flynn	1 (1)	-	-	-
Tim O'Connor	11 (13)	2 (2)	-	-
Tony O'Neill	10 (13)	1 (2)	-	-
Non-Executive Directors				
Tim Wightman	13 (13)	2 (2)	1 (1)	1 (1)
David Chisnall OBE	10 (13)	1 (2)	1 (1)	1 (1)
Adrian Bradshaw	13 (13)	2 (2)	1 (1)	1 (1)

The figures in parentheses indicate the number of meetings that each director was eligible to attend during the year.

Relations with shareholders

The Board has always sought to maintain good relations with the company's shareholders and believe that shareholders should receive timely information on the performance of the Group.

The directors acknowledge that it is important for both private and institutional shareholders to have the opportunity to raise concerns or discuss matters. All of the directors attend the company's Annual General Meeting and are available to answer questions at the meeting or privately. The directors are in regular contact with institutional shareholders and feedback is also received from the company's brokers.

Insurance cover

The Group maintains appropriate insurance cover in respect of legal actions against the directors as well as against material loss or claims against the Group. The adequacy of cover is reviewed on a regular basis.

Employment of disabled persons

It is the policy of the Group to give full and fair consideration to the employment of disabled persons in jobs suited to their individual circumstances and, as appropriate, to consider them for recruitment opportunities, career development and training. Where possible, arrangements are made for the continuing employment of employees who have become disabled whilst in the Group's employment.

Employee involvement

Employees are kept informed of the performance and objectives of the Group through personal briefings, regular meetings and e-mail.

Directors and senior management regularly discuss with employees, matters of current interest and concern to the business.

All employees of AssetCo Group Limited and its subsidiaries as at 30 March 2007 were gifted shares by John Shannon and Frank Flynn.

The directors intend to implement a Save As You Earn (SAYE) scheme to further encourage share ownership and employee participation.

Equal opportunities

The Group is committed to equal opportunities from recruitment and selection through to training, development, performance monitoring and retirement.

It is the policy of the Group to promote an environment free from discrimination, harassment and victimisation. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

Creditor payment policy

The Group's policy is to agree the terms of payments with its suppliers as and when a trading relationship is established. The Group ensures that the terms of payment are clear and its policy is to abide by the agreed terms, provided the supplier meets its obligations. At 31 March 2007, the Group had an average of 47 days (2006: 65 days) purchases outstanding in trade creditors.

International financial reporting standards (IFRS)

The Group has begun assessing the changes that will be required under IFRS in order to plan the transition from UK Accounting Standards and will be in a position to report its results under IFRS for the year ended 31 March 2008.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the Group at the end of the period and of the Group's profit or loss for the period then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the Annual Report includes information required by the AIM rules of the Financial Services Authority.

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

In so far as the directors are aware:

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

Auditors

In accordance with section 384 of the Companies Act 1985, Grant Thornton UK LLP offer themselves for reappointment as auditors of the Group.

On behalf of the Board

Michael Lavender
Company Secretary

Report of the independent auditor to the members of AssetCo plc

We have audited the Group and parent company financial statements (the "financial statements") of AssetCo plc for the year ended 31 March 2007 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, and notes 1 to 30 of the financial statements. These financial statements have been prepared under the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's Statement, the Chief Executive Officer's Statement and the Chief Finance Officer's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and;
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2007.

GRANT THORNTON UK LLP
REGISTERED AUDITOR,
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH
26 June 2007

The maintenance and integrity of the AssetCo plc website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the Website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The directors have reviewed the accounting policies adopted by the company and consider them to be the most appropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and all Group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off between fifteen and twenty years from the period of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. Intra group sales, profit and balances are eliminated on consolidation.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the Group financial statements by virtue of Section 230 of the Companies Act 1985.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised.

Positive goodwill is amortised by equal annual instalments over its estimated useful life. The estimated useful life has been ascertained by allocating 50% to the London Fire and Emergency Planning Authority ('LFEPA') contract (amortised over 15 years) and 50% to the Lincolnshire Fire and Rescue Service ('LFRS') and the platform created to develop an emergency service business (amortised over 20 years).

Turnover

Turnover represents net goods and services invoiced to customers during the year, less returns and excluding Value Added Tax. Turnover is recognised when earned and in advance of obligations delivered. Where invoices are raised in advance of goods being supplied the income is deferred until the goods and services are made available to the customer. Income which represents unitary payments for the London Fire Brigade is recognised in the month the vehicles are made available for use.

Tangible fixed assets and depreciation

Tangible fixed assets are shown at original historic cost less accumulated depreciation.

Land and buildings

Land is not depreciated. Leasehold buildings are depreciated on a straight-line basis over the term of the leases which vary between 5 and 20 years.

Assets under long-term arrangements

Assets held for leasing that have been financed under hire purchase or sale of receivables contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and depreciated over the shorter of the lease terms and the useful life of the assets.

Fire equipment is depreciated on a straight-line basis over the useful operating life of the assets.

In all cases assets are depreciated down to their estimated residual value.

Own use assets

Depreciation is provided at rates calculated to write off the full cost of each asset on a straight-line basis over its expected useful life as follows:

Office furniture and equipment	4 -7 years
IT equipment	2-3 years
Motor cars	3-4 years
Freehold Property	2%

All fixed assets are initially recorded at cost.

In addition to the above, depreciation on all other assets is provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their useful economic lives as follows:

Leasehold buildings and improvements	2% straight line or over the term of the lease
Fixtures and fittings	20-33.33% straight line
Equipment, plant and machinery	15-50% straight line
Assets under long term arrangements	8.33 - 20% straight line
POMS assets	8.33% straight line

Investments

In the parent company's financial statements, investments in subsidiary undertakings are stated at cost less any provision for impairment.

Maintenance contracts

Long term maintenance contracts are reviewed on an annual basis to assess the reasonableness of their reported profitability in respect of recognised turnover and related costs. Turnover and costs on these contracts are recognised in the period services are delivered or received respectively.

Leased assets

As part of its asset management activities, the Group enters into leases with customers that are funded through related head leases or head hire purchase (HP) facilities with financial institutions. Under the terms of the head leases, the group will normally act as the lessor's agent for disposing of the residual assets at the end of the lease term and may participate in the proceeds of sale. The accounting treatment of these head leases and subleases depend on the substance of the arrangements.

Limited recourse arrangements

Where the Group simultaneously enters into a head lease and sublease under terms that limit the funder's recourse to the Group to certain specific cash flows from the sublease in such a way that all the benefits and all the risks associated with those cash flows are transferred to the funder, the arrangements are accounted for as a single transaction. Accordingly, only the Group's cash investment in any residual value is recognised in the balance sheet.

Other arrangements

Where, however, the transaction is negotiated such that the group is exposed to the credit risk on the underlying lease with the customer, the head lease or head HP facilities and sublease are accounted for as separate transactions. Accordingly, where the head lease or similar is a HP contract, the capital element of future financing obligations is recorded as a liability, while the interest element is charged to the profit and loss account over the term of the HP agreement so as to produce a constant rate of charge on the capital outstanding.

The accounting treatment of the related sublease will depend on the nature of the sublease. Where the underlying lease is a finance lease, it will be recorded as a finance lease receivable and the interest from the finance lease will be recognised in income over the lease term on a basis that gives a constant rate of return on the outstanding investment.

Where the underlying lease with the customer is an operating lease, the related asset will be capitalised as a fixed asset and depreciated over the shorter of the lease term and its useful life, and rental income from operating leases will be recognised on a straight-line basis over the lease term.

Maintenance

Where the company bears the cost of maintenance and disposal, then the related income is recognised in the year in which these activities take place.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost of products manufactured consists of direct materials and labour costs, together with the relevant production overheads.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign subsidiaries are translated at the closing rate on the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves. All other exchange differences are dealt with through the profit and loss account.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more, or a right to pay less, tax in the future have occurred by the balance sheet date.

Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Deferred tax assets are recognised when it is more likely than not they will be recovered.

Deferred tax is measured on a non-discounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Contributions to pension funds

The Group operates two defined benefit pension schemes for particular employees. The assets of the schemes are held separately from those of the company.

The rate of inflation has been obtained by reference to the difference between gilt and index linked gilt yields, and all RPI linked pension increases in payment have been assessed with reference to the inflation assumption.

Pension scheme assets are valued at market value at the balance sheet date.

The pension schemes respective surplus and deficits are recognised in full on the balance sheet at the end of the period.

Provisions

Provisions are measured at the present value of the best estimate of the consumption of resources required to settle the obligation. Provisions are recognised whenever the Group has a present obligation as a result of a past event and it is probable that an outflow of resources of which a reliable estimate can be made will be required to settle the obligation.

Consolidated profit and loss account
For the year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Turnover			
Continuing operations	1	7,059	4,092
Acquisitions		2,597	813
Group turnover		9,656	4,905
Cost of sales	2	(4,436)	(2,069)
Gross profit		5,220	2,836
Administrative expenses		(4,335)	(2,380)
Operating profit before goodwill amortisation, curtailment gain and redundancy costs		1,377	574
Curtailment gain		-	141
Goodwill amortisation		(225)	(259)
Redundancy costs		(267)	-
Operating profit			
Continuing operations		435	346
Acquisitions		450	110
Group operating profit	3	885	456
Interest receivable and similar income	6	9	8
Interest payable and similar charges	7	(168)	(106)
Profit on ordinary activities before taxation		726	358
Tax on profit on ordinary activities	8	(235)	(45)
Profit on ordinary activities after taxation		491	313
Earnings per share			
Basic earnings per share	9	10.6p	7.0p
Diluted earnings per share			
Diluted basic earnings per share	9	10.6p	7.0p

All of the above operations are classed as continuing.

The accompanying accounting policies and notes form part of these financial statements.

Consolidated balance sheet
As at 31 March 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Intangible assets	11	112,123	3,510
Tangible fixed assets	12	50,879	1,280
		163,002	4,790
Current assets			
Stocks	14	4,235	697
Debtors	15	14,052	1,269
Pension scheme surplus	24	329	-
Cash at bank		10,231	501
		28,847	2,467
Creditors: amounts falling due within one year	16	(34,971)	(1,786)
Net current (liabilities)/assets		(6,124)	681
Total assets less current liabilities		156,878	5,471
Creditors: amounts falling due after more than one year	17	(49,763)	(1,443)
Net assets excluding pension liability and provisions		107,115	4,028
Provisions	18	(3,206)	-
Pension scheme liability	24	(30)	(62)
Net assets		103,879	3,966
Capital and reserves			
Called up equity share capital	20	16,800	1,243
Share premium account	21	17,890	2,346
Merger reserve	21	68,293	-
Profit and loss account	21	896	377
Shareholders' funds		103,879	3,966

These financial statements were approved by the Board of Directors on 26 June 2007 and are signed on their behalf by:

R.F. Flynn
Director

The accompanying accounting policies and notes form part of these financial statements.

Company balance sheet
As at 31 March 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Investments	13	94,720	2,168
		94,720	2,168
Current assets			
Debtors	15	13,711	3,778
		13,711	3,778
Creditors: amounts falling due within one year	16	(2,791)	(475)
Net current assets		10,920	3,303
Total assets less current liabilities		105,640	5,471
Creditors: amounts falling due after more than one year	17	(786)	(1,443)
Net assets		104,854	4,028
Capital and reserves			
Called-up share capital	20	16,800	1,243
Share premium account	21	17,890	2,346
Merger reserve	21	68,293	-
Profit and loss account	21	1,871	439
Shareholders' funds		104,854	4,028

These financial statements were approved by the Board of Directors on 26 June 2007 and signed on their behalf by:

R.F. Flynn
Director

The accompanying accounting policies and notes form part of these financial statements.

	Note	2007 £'000	2006 £'000
Net cash (outflow)/inflow from operating activities	25	(7,449)	774
Returns on investments and servicing of finance			
Interest received		9	8
Interest paid		(168)	(92)
New loans issue costs		-	(18)
Net cash outflow from returns on investments and servicing of finance		(159)	(102)
Taxation		(26)	(4)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	12	(153)	(73)
Proceeds from disposal of fixed assets		1,107	-
Net cash inflow/(outflow) from capital expenditure and financial investment		954	(73)
Acquisitions and disposals			
Purchase of subsidiary undertakings		(12,151)	(2,168)
Net cash acquired with subsidiaries	10	2,675	262
Net cash outflow from acquisitions and disposals		(9,476)	(1,906)
Cash outflow before financing		(16,156)	(1,311)
Financing			
Placing costs		-	(27)
Issue of shares		18,992	694
Receipt of loans		-	1,250
Long-term loan repayments		(728)	(280)
Cash inflow from financing		18,264	1,637
Increase in cash		2,108	326

Consolidated statement of total recognised gains and losses
For the year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Profit for the financial year		**491**	313
Actuarial gain on the pension scheme	**24**	**40**	34
Deferred tax adjustment on pension deficit	**24**	**(12)**	(10)
Total recognised gains and losses in the year		**519**	337

1 Turnover

Turnover is attributable to the principal activity of the Group.

By division

	2007 £'000	2006 £'000
AS Fire & Rescue Equipment (1)	7,736	4,092
Todd Research (2)	1,920	813
	9,656	4,905

There were two classes of business for the year:

(1) Manufacture of ladders, gantries and ancillary equipment, sold under several brand names to emergency and rescue services.

(2) Manufacture of x-ray scanning equipment for post and baggage aimed at the mail room market.

By geographical market

	2007 £'000	2006 £'000
UK	7,754	4,159
Rest of world	1,902	746
	9,656	4,905

No further analysis by division or geographical segment has been provided as, in the opinion of the directors such disclosure would be seriously prejudicial to the commercial interests of the Group.

2 Cost of sales and other operating income and charges

The amounts shown for continuing operations include the following in respect of acquisitions:

	2007 £'000	2006 £'000
Cost of sales	1,396	393
Other operating income and charges	-	325
Administrative expenses	(751)	(15)
Other operating (charges)/income	(751)	310

3 Other operating profit

The operating profit of £885,000 for the period is stated after charging/(crediting):

	2007 £'000	2006 £'000
Auditors' remuneration		
Audit fees of parent	10	30
Audit fee for consolidation	139	-
Tax compliance	-	4
Depreciation and amortisation		
Tangible fixed assets, owned	129	72
Amortisation of goodwill	225	164
Cost of purchase of stocks in the year	3,387	1,684
(Profit)/Loss on disposal of fixed assets	(5)	31
Research and development expenditure	29	21
Operating leases: land and buildings	203	133
Operating leases: plant and machinery	3	3

4 Profit attributable to the parent company

The profit attributable to the parent company is **£402,032** (2006: £429,856).

5 Directors and employees

Staff costs during the period were as follows:

	2007 £'000	2006 £'000
Wages and salaries	1,660	1,457
Social security costs	176	147
Other pension costs	166	149
	2,002	1,753

The average number of employees of the Group (including executive and non-executive directors) during the year analysed by category were as follows:

	2007 No.	2006 No.
Directors (excluding non executive directors)	5	5
Selling and distribution	9	5
Administration	27	22
Production and operations	64	42
	105	74

Directors' emoluments including non-executives were as follows:

	2007 £'000	2006 £'000
Directors' fees	331	333
Company contribution to pension scheme	29	38
	360	371

During the year one director (2006: one) participated in the defined contribution pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2007 £'000	2006 £'000
Emoluments	131	120

Made up of salary of **£113,000** and bonus of **£18,000** (2006: £106,675), benefits in kind of **£ Nil** (2006: £13,133).

6 Interest receivable and similar income

	2007 £'000	2006 £'000
Bank interest	9	8

7 Interest payable and similar charges

	2007 £'000	2006 £'000
Bank loans and overdrafts	142	92
Pension scheme net finance costs	1	4
Loan cost amortisation	25	10
	168	106

8 Tax on profit on ordinary activities

	2007 £'000	2006 £'000
UK Corporation tax based on the results for the year at 30%	234	-
Adjustments in respect of prior periods	1	4
Total current tax	235	4
Deferred tax movement	-	41
	235	45

Factors affecting the tax charge for the current year:

The current tax charge for the year is different from the standard rate of corporation tax in the UK of 30%. The differences are explained below.

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	726	358
Current tax at 30%	218	107
Effects of:		
Expenses not deductible for tax purposes	107	45
Losses carried forward	(30)	(154)
Capital gain on disposal less than accounting profit	(47)	-
Capital allowances for the year (more)/less than depreciation	(14)	2
Adjustments to prior year	1	4
	235	4

9 Earnings per share

	2007 £'000	2006 £'000
Profit after taxation	491	313
Adjustment		
Goodwill amortisation	225	164
Adjusted profit	716	477

	Number	Number
Basic weighted average number of shares	4,667,068	4,496,582
Dilutive effect of ordinary shares:		
Share options	-	-
Warrants	-	-
	4,667,068	4,496,582

	2007	2006
Basic earnings per share	10.6p	7.0p
Loss per share on goodwill amortisation	4.8p	3.6p
Adjusted earnings per share	15.4p	10.6p
Diluted basic earnings per share	10.6p	7.0p
Diluted loss per share on goodwill amortisation	4.8p	3.6p
Diluted adjusted earnings per share	15.4p	10.6p

The dilutive effect of share options has been calculated in accordance with accounting standards. For this purpose the fair value of the shares has been taken as the nominal price of the Group's shares for the year ended 31 March 2007 of 25p. The share warrants and share options are anti-dilutive in the year as their exercise price exceeds the fair value of the shares.

10 Acquisition of AssetCo Group Limited

On 30 March 2007 Asfare Group plc acquired ordinary shares with a nominal value of £3,071,000 in AssetCo Group Limited, being 100 % of its nominal share capital. The total consideration was financed via the placing of 48,434,483 ordinary shares for £82,552,392. Goodwill arising on the acquisition of AssetCo Group Limited has been capitalised. The purchase of AssetCo Group Limited has been accounted for using the acquisition method of accounting.

The assets and liabilities acquired of AssetCo Group Limited were as follows:

	Book values £'000	Revaluation £'000	Accounting policy £'000	Other adjustments £'000	Fair value £'000
Fixed assets					
Tangible	50,508	-	-	-	50,508
Current assets					
Stock	2,872	-	-	-	2,872
Debtors	12,298	-	-	-	12,298
Bank & cash	2,675	-	-	-	2,675
Total assets	**68,353**	**-**	**-**	**-**	**68,353**
Creditors					
Trade creditors	6,980	-	-	-	6,980
Other creditors	83,510	-	-	14,243	69,267
Accruals	4,869	-	-	-	4,869
Provisions					
Taxation	3,171	-	-	-	3,171
Total liabilities	**98,530**	**-**	**-**	**14,243**	**84,287**
Net liabilities	**(30,177)**	**-**	**-**	**14,243**	**(15,934)**
Purchased goodwill capitalised					34,426
					18,492
Satisfied by:					
Share placing					82,552
Cash consideration					10,000
Total consideration					**92,552**

As the acquisition took place on the last working day before the year end, no post acquisition profit has been disclosed. The accounting reference date of the AssetCo Group Limited has always been 31 March.

The profit after taxation for AssetCo Group Limited for the year ended 31 March 2007 was £3,283,009. Further details are given below:

	2007 £'000
Turnover	**94,106**
Operating profit	**6,856**
Profit after Taxation	**3,283**

11 Intangible fixed assets

Group

	Goodwill £'000
Cost	
At 1 April 2006	3,953
Arising on acquisitions	108,838
At 31 March 2007	**112,791**
Amortisation	
At 1 April 2006	443
Charged in period	225
At 31 March 2007	668
Net book value	
At 31 March 2007	**112,123**
At 1 April 2006	3,510

12 Tangible fixed assets

Group	Short Leasehold Land and Buildings £'000	Fixtures and fittings £'000	Equipment, plant and machinery £'000	Assets under long term arrangements £'000	Total £'000
Cost					
At 1 April 2006	1,143	-	427	-	1,570
Additions	15	10	128	-	153
Disposals	(1,097)	(11)	(39)	-	(1,147)
Acquisitions	1,967	1,851	10,445	36,418	50,681
At 31 March 2007	2,028	1,850	10,961	36,418	51,257
Depreciation					
At 1 April 2006	20	-	270	-	290
Disposals	-	(3)	(38)	-	(41)
Charge for the period	12	3	114	-	129
At 31 March 2007	32	-	346	-	378
Net book value					
At 31 March 2007	**1,996**	**1,850**	**10,615**	**36,418**	**50,879**
At 31 March 2006	1,123	-	157	-	1,280

The Group has committed to the provision of 109 fire appliances used in the PFI (Private Finance Initiative) contract with LFEPA post year end, as well as 107 additional vehicles for both LFEPA and Lincolnshire Fire Authority.

Included in the net book value of equipment plant and machinery and assets under long term arrangements shown above is an amount of **£13,872,485** (31 March 2006: £Nil) which relates to the assets financed under hire purchase agreements on which deprecation for the period, being one day, was **£Nil** (31 March 2006: £Nil).

Assets under long term arrangements primarily represent equipment used in the PFI contract with LFEPA.

Assets held as POMS assets for use by LFEPA have a net book value of £1.9m at the year end, depreciation of **£Nil** (2006: £Nil) was charged for the period, being one day.

13 Investments

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Shares in group undertakings	-	94,720	-	2,168

Company

	Shares in group undertakings £'000
At 1 April 2006	**2,168**
Acquisitions in the year	**92,552**
At 31 March 2007	**94,720**

The carrying value of investments is reviewed annually by the directors for potential impairment. The carrying value of the investments is, in the opinion of the directors, fairly stated at 31 March 2007.

The parent company has a controlling interest through shares directly or indirectly in the following group undertakings:

Subsidiary	Country of incorporation	Percentage of shares held		Shares held	Nature of business
		Group	Company		
AssetCo Group Limited	N.Ireland	100%	100%	Ordinary	Holding company
AssetCo Engineering Limited	England and Wales	100%	-	Ordinary	Management of emergency equipment
AssetCo Emergency Limited	England and Wales	100%	-	Ordinary	Emergency managed services
AssetCo Papworth Limited	England and Wales	100%	-	Ordinary	Assembly of emergency equipment
AssetCo SVO Limited	England and Wales	100%	-	Ordinary	Assembly of emergency equipment
AssetCo Ireland Limited	N.Ireland	100%	-	Ordinary	Fleet and management services
AssetCo Managed Services Limited	England and Wales	100%	-	Ordinary	Fleet and management services and vehicle leasing
AssetCo Municipal Limited	England and Wales	100%	-	Ordinary	Fleet and management services
AssetCo Vehicles Limited	England and Wales	100%	-	Ordinary	Holding company
AssetCo Emergency (2) Limited	N.Ireland	100%	-	Ordinary	Emergency managed services
AssetCo Managed Services (ROI) Limited	Republic of Ireland	100%	-	Ordinary	Business support services
Fire Safety Equipment Limited	England and Wales	100%	-	Ordinary	Distribution of safety and cutting equipment
AS Fire And Rescue Limited	England and Wales	100%	100%	Ordinary	Manufacture and distribution of safety equipment
Speed 5019 Limited*	England and Wales	100%	-	Ordinary	Holding company
Fire Guns Limited*	England and Wales	100%	-	Ordinary	Dormant
Asfare No.1 Limited	England and Wales	100%	100%	Ordinary	Dormant
Sacol Group 1990 Limited*	England and Wales	100%	-	Ordinary	Dormant
AS America Inc**	USA	100%	100%	Common	Royalty payments on shutter sales
AS Security BV***	Netherlands	100%	-	Ordinary	Sales
Todd Research Limited	England and Wales	100%	100%	Ordinary	Manufacturing and distribution of security equipment

* Held by a subsidiary undertaking
** Incorporated in USA
*** Held by a subsidiary undertaking and incorporated in the Netherlands

The company holds an investment in AS Fire and Rescue Equipment Limited of £1 valued at cost and an investment in Todd Research Limited of £2,168,000.

14 Stocks

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Raw materials and consumables	**2,220**	**-**	152	-
Finished goods and goods for resale	**2,015**	**-**	545	-
	4,235	**-**	697	-

15 Debtors

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Trade debtors	**9,873**	**-**	1,099	-
Amounts owed by group undertakings	**-**	**13,703**	-	3,773
Other debtors	**573**	**-**	2	-
Prepayments and accrued income	**3,606**	**8**	168	5
	14,052	**13,711**	1,269	3,778

16 Creditors: amounts falling due within one year

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Bank loans and overdrafts	**9,658**	**472**	387	387
Current element of asset finance	**2,208**	**-**	-	-
Trade creditors	**9,929**	**1,349**	912	11
Corporation tax	**212**	**124**	3	-
Other taxes and social security	**630**	**(40)**	209	(5)
Other creditors	**4,934**	**-**	-	-
Finance lease creditor	**1,898**	**-**	-	-
Accruals and deferred income	**5,502**	**886**	275	82
	34,971	**2,791**	1,786	475

The Group's bank loans and overdrafts are secured by a debenture over all of the assets of the Group.

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

17 Creditors: amounts falling due after more than one year

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Asset finance	22,078	-	-	-
Acquisition loan	19,400	-	-	-
Hire purchase creditor	7,528	-	-	-
Bank loan	757	786	1,443	1,443
	49,763	786	1,443	1,443

Analysis of debt

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Debt can be analysed as falling due:				
In one year or less, or on demand	6,153	446	398	398
Between one and two years	6,153	386	398	398
Between two and five years	24,684	432	638	638
More than five years	19,046	-	437	437
	56,036	1,264	1,871	1,871
Less: issue costs	(30)	(30)	(41)	(41)
	56,006	1,234	1,830	1,830
Included in creditors falling due within one year	(2,036)	(446)	(387)	(387)
	53,970	788	1,443	1,443

The asset finance is secured primarily by a first and only debenture from the company and a fellow subsidiary undertaking and by a first and only chattel mortgage over the assets of one of the Group companies. Interest is charged at 1.75% margin over matched LIBOR/SWAP cost.

Interest is charged on the acquisition loan at 2% over LIBOR. The acquisition loan is divided into two principal amounts – the first consisting of £16m, repayable in 40 quarterly instalments commencing July 2007, the second representing an amount of £5m, repayable on the fourth anniversary of the inception of the loan.

18 Provisions

	Deferred tax £'000	Onerous Lease £'000	Total £'000
Group			
At beginning of year	-	-	-
On acquisition	3,171	-	3,171
Charge/(credit) for the year	-	35	35
At end of year	**3,171**	**35**	**3,206**

The movement of the deferred tax liability is set out below:

	Group deferred tax asset 2007 £'000
At beginning of year	-
On acquisition	3,171
Movement in the year	-
Net deferred tax liability	**3,171**

The deferred tax provision comprises:

	2007 £'000	2006 £'000
Accelerated capital allowances	**3,298**	-
Other short term timing differences	**(56)**	-
Tax losses carried forward	**(71)**	-
	3,171	-

19 Related party transactions

At the year end there was an amount of £1,241,100 (31 March 2006: £Nil) owing to the directors of the group included within accruals. Included within creditors is an amount of £7,719 owing to Graphic Traffic Limited, a related party by virtue of John Shannon being a common director. During the year the Group made purchases of £144,964 from this entity.

Bradmount Investments Limited, a company controlled by Adrian Bradshaw, received a consultancy fee of £40,000 as disclosed in the report of the directors.

Toasom Limited, a company controlled by Tim Wightman, received a consultancy fee of £25,000 as disclosed in the report of the directors.

20 Share capital

	Nominal value	Authorised number	Authorised £	Allotted number	Allotted £
Balance at 1 April 2006	Ordinary 25p	20,000,000	5,000,000	4,971,112	1,242,778
Share issue	Ordinary 25p	75,000,000	18,750,000	62,227,587	15,556,896
Balance at 31 March 2007	Ordinary 25p	95,000,000	23,750,000	67,198,699	16,799,674

Share options

As at 31 March 2007 the following options had been granted and were still outstanding under the Group's share option scheme:

	Date granted	Number of shares	Exercise price	Exercise dates from	Exercise dates to
Directors	5 Dec 2003	290,000	£1.00	5 Dec 2003	4 Dec 2013
Employees	11 Dec 2003	65,000	£1.00	11 Dec 2003	10 Dec 2013
Employees	30 Mar 2007	1,381,205	£1.45	30 Mar 2010	30 Mar 2017
Total		**1,736,205**			

Warrants

Following the admission to AIM on 12 December 2003 warrants were issued as follows:

Name	Number of warrants	Percentage of issued share capital on admission
David Chisnall	105,000	2.5%
Adrian Bradshaw	105,000	2.5%
Peter Mountford	105,000	2.5%
Tim Wightman	105,000	2.5%
Total	**420,000**	

Warrants have an exercise price of 125p and are exercisable from 12 December 2003 until 11 December 2008 at a ratio of one Ordinary share per warrant and remain outstanding at 31 March 2007.

21 Reserves

Group

	Merger Reserve £'000	Share premium account £'000	Profit and loss account £'000
At 1 April 2006	-	2,346	377
Profit for the financial year	-	-	491
Actuarial net gain	-	-	28
Increase in share premium	-	15,544	-
Movement in merger reserve arising on issue of share capital	68,293	-	-
At 31 March 2007	68,293	17,890	896

Company

	Merger Reserve £'000	Share premium account £'000	Profit and loss account £'000
At 1 April 2006	-	2,346	439
Profit for the financial year	-	-	402
Dividend declared by fellow group company	-	-	1,030
Increase in merger reserve	68,293	-	-
Increase in share premium	-	15,544	-
At 31 March 2007	68,293	17,890	1,871

22 Reconciliation of movements in shareholders' funds

Group

	2007 £'000	2006 £'000
Profit for the financial year	491	313
Additional share capital issued	15,557	193
Increase in share premium account	15,544	474
Actuarial net gain	28	24
Increase in merger reserve	68,293	-
Net addition to shareholders' funds	99,913	1,004
Opening shareholders' funds	3,966	2,962
Closing shareholders' funds	103,879	3,966

Company

	2007 £'000	2006 £'000
Profit for the financial year	402	430
Dividend declared by fellow group undertaking	1,030	-
Additional share capital issued	15,557	-
Increase in share premium account	15,544	-
Increase in merger reserve	68,293	-
Net addition to shareholders' funds	100,826	430
Opening shareholders' funds	4,028	3,598
Closing shareholders' funds	104,854	4,028

23 Commitments

Annual commitments under non-cancellable operating leases are as follows:

Group	Land and Buildings 2007 £'000	Other 2007 £'000	Land and Buildings 2006 £'000	Other 2006 £'000
Operating leases which expire:				
Within 1 year	251	115	-	-
Within 2 to 5 years	467	81	-	-
In 5 years or more	140	-	162	-
	858	196	162	-

24 Pensions

Defined benefit schemes

The principal employer is Brook Henderson, (the previous parent company) and it is intended that principal employer status is transferred to AssetCo Group Limited.

The Brook Henderson Pension Scheme commenced on 11 October 2003 and is a defined benefit pension scheme based in the United Kingdom. The assets of the scheme are administered by trustees in a fund independent from those of the Group.

The scheme is part of a multi-employer scheme, with separate assets for each employer's section. The last full actuarial valuation of the full scheme was carried out as at 31 March 2007.

The main assumptions used by the actuary for the valuation were as follows:

	2007	2006
	%	%
Rate of increase salaries	3.3	3
Rate of increase for pensions in payment	3	3
Discount rate	5.4	4.9
Expected rate of return on plan assets	6	6
Inflation	3.3	3

The assets in the scheme were:

	2007	2006
	£'000	£'000
Equities	2,729	2,371
Government bonds	1,364	1,176
Other bonds	1,364	1,176
Cash	101	17
Total market value of assets	5,558	4,740
Actuarial value of liabilities	(5,356)	(4,512)
Net pension surplus	202	228

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

	2007	2006
	£'000	£'000
Current service cost	-	-
Interest cost	-	-
Net Actuarial loss recognised	-	-
Expected return on plan assets	-	-
Total included within staff costs in administration expenses	-	-

The Group operates two defined contribution pension schemes and a defined benefit scheme. The assets of the schemes are held separately to those of the Group. The total pension cost charge for the year amounts to £Nil (2006: £Nil). As the asset was acquired on 30th March 2007 there has been no material movement in the consolidated profit and loss in relation to the scheme in the year.

The movement in the net asset for defined benefit obligations recognised in the balance sheet is:

	2007 £'000	2006 £'000
Net asset acquired on acquisition	329	-
Credit to the profit and loss in the period	-	-
	329	-

No past service costs were incurred in the period.

Defined Benefit Pension Scheme

Todd Research Limited (the Company) operates a defined benefit pension scheme for the benefit of certain of the employees. The assets of the scheme are administered by trustees in a fund independent from the assets of the Company. The Company also provides post-retirement benefits other than pensions to the employees.

Costs and liabilities of the scheme are based on actuarial valuations. The latest full actuarial valuation was carried out at 1 October 2006 and updated to 31st March 2007 by a qualified independent actuary.

Because the scheme is closed the age profile of the active membership of the scheme is rising significantly, the current service cost under the projected unit method will increase as the members of the scheme approach retirement.

The main assumptions used by the actuary were:

	31 March 2007 %	31 March 2006 %
Rate of increase salaries	3.1	3.05
Rate of increase for pensions in payment	3.1	3.05
Discount rate	5.3	5.00
Inflation	3.1	3.05

The assets in the scheme and the expected long-term rate of return were:

	31 March 2007 %	31 March 2007 £'000	31 March 2006 £'000
Equities	7.80	332	336
Bonds	5.10	91	80
Other	5.10	29	15
Total market value of assets		452	431
Present value of scheme liabilities		494	520
Deficit in the scheme		42	89
Related deferred tax liability		(12)	(27)
Net pension liability		30	62

The amount charged to operating profit was:

	31 March 2007 £'000	31 March 2006 £'000
Current service cost	-	31
(Gains)/losses on settlements and curtailments	-	(141)
Past service cost	3	-
Total operating (gain)/cost	3	(110)

Other finance costs/income comprises

	31 March 2007 £'000	31 March 2006 £'000
Changes in the assumptions underlying the present value of the scheme liabilities	27	(90)
Actual return less expected return on assets	(4)	-
Experience gain/losses on the liabilities	17	-
Total operating (gain)/cost	40	(90)

The movement in deficit in the period was:

	31 March 2007 £'000	31 March 2006 £'000
Deficit in scheme at beginning of period	89	146
Current service cost	-	31
Contributions	(12)	(41)
Gains on settlements and curtailments	-	(141)
Past service cost	3	-
Other finance expense	1	4
Actuarial cost/(gain)	(40)	90
Deficit in scheme at end of year	41	89

Additional contributions for £9,000 per year for 10 years have been agreed with the trustees (under review due to change in deficit).

Movement on the deferred tax

	1 April 2006 £'000	Movement in period £'000	31 March 2007 £'000
Pension fund deficit	89	(47)	42
Deferred tax (30%)	(27)	15	(12)
Net deficit	62	(32)	30

The movement in the deferred tax asset above comprises a charge of £3,000 to the profit and loss account (see note 8) and a charge of £12,000 taken to the Statement of Total Recognised gains and Losses.

25 Reconciliation of operating profit to net cash flow from operating activities

	2007 £'000	2006 £'000
Operating profit	**885**	456
Depreciation and amortisation	**354**	236
Profit on sale of tangible fixed assets	**(5)**	-
(Increase)/decrease in stocks	**(666)**	86
Increase in debtors	**(485)**	(226)
(Decrease)/increase in creditors	**(7,532)**	222
Net cash (outflow)/inflow from continuing operating activities	**(7,449)**	774

26 Reconciliation of net cash flow to movement in net debt

	2007 £'000	2006 £'000
Increase in cash in the period	**2,108**	326
Issue of debt	**(54,246)**	(962)
Movement in net debt in the period	**(52,138)**	(636)
Net debt at 1 April 2006	**(1,329)**	(693)
Net debt at 31 March 2007	**(53,467)**	(1,329)

27 Analysis of changes in net debt

	At 1 April 2006 £	Cash flows £	Non cash movements £	At 31 March 2007 £
Cash in hand and at bank	**501**	9,730	-	**10,231**
Overdrafts	**-**	(7,622)	-	**(7,622)**
	501	2,108	-	**2,609**
Bank loans	**(1,830)**	597	-	**(1,233)**
Finance leases	**-**	-	(9,427)	**(9,427)**
Other loans	**-**	-	(45,416)	**(45,416)**
Net debt	**(1,329)**	2,705	(54,843)	**(53,467)**

28 Contingent liabilities

There is a contingent liability in respect of bank borrowings of Group companies which have been secured by inter company cross guarantees.

29 Post balance sheet events

In April 2007, the Group strengthened its strategic position within the Emergency market with the acquisition of Simentra Limited, a company offering security consulting services.

In June 2007, the Group broadened its product portfolio with the acquisition of Blue Amber Red Limited, a company offering specialist lighting products to the Emergency Services market.

30 Financial instruments

The Group uses financial instruments, other than derivatives, comprising cash, liquid resources and various items such as debtors, creditors and other items that arise from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks from the Group's financial instruments are interest rate risk, liquidity risk and currency risk. The Directors review and agree policies for managing these risks and these are summarized below:

Interest rate risk

The Group finances its operations with cash resources and borrowings in specific situations when the cost is relatively low or beneficial to the Group.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency risk

The Group's principal currency risk exposures are to the effect of US $/£ Sterling exchange rates and Australian $/£ Sterling exchange rates due to its subsidiary in the USA and a marketing agreement in Australia respectively. The magnitude of this risk is regularly reviewed and the benefits of hedging instruments weighed against the cost.

With the exception of the currency exposure the disclosures below exclude short term debtors and creditors:

Interest rate risk profile of financial assets

The interest rate profile of the Group's financial assets at 31 March 2007 was:

	Floating rate financial assets	
	2007	2006
	£'000	£'000
Sterling	**2,601**	462
Australian dollar	**15**	25
American dollar	**2**	14
	2,618	501

The floating rate assets comprise bank current accounts in their respective currencies.

Interest rate risk profile of financial liabilities

	Financial liabilities	
	2007	2006
	£'000	£'000
Sterling - floating	**30,000**	1,871
Sterling - fixed	**26,036**	-
	56,036	1,871

The floating rate liabilities comprise asset finance, leasing liabilities, banks loans and overdraft facilities. The bank loans bear interest at rates based on LIBOR.

Currency exposures

The table below shows the Group's currency exposures, those transitional (non structural) exposures that give rise to the net currency gains and losses recognized in the profit and loss account. Such exposures comprise of monetary assets and monetary liabilities of the Group that are not denominated in the operating currency.

These currency exposures were as follows:

		US $ £'000	AUS $ £'000	Total £'000
2007	**Sterling**	2	15	17
2006	Sterling	14	25	39

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 31 March 2007 is as follows:

	2007 £'000	2006 £'000
In one year or less, or on demand	**6,153**	398
In more than one year but not more than two	**6,153**	398
In more than two years but not more than five	**24,684**	638
In more than five years	**19,046**	437
	56,036	1,871

Fair value of financial assets and financial liabilities

The directors believe that the fair values of the financial assets and liabilities are not materially different from their book values.

Hedges

The Group's policy is to hedge the interest rate on one of the bank loans. This is done by fixing the interest rate for a rolling three month period and capping the interest rate over three years. The net book value of this instrument at 31 March 2007 was **£985** (2006: £1,250), the fair value was not materially different from the net book value at 31 March 2007 or 31 March 2006. The charge of interest is written off to the profit and loss account as it occurs.

Borrowing facilities

The Group has various borrowing facilities available to it. Floating rate borrowings incur interest charges based on LIBOR. The undrawn committed facilities available at 31 March 2007 in respect of all conditions precedent had been met at that date are as follows:

	2007 £'000	2006 £'000
Expiring in one year or less	**700**	350

Directors

Timothy Wightman

Non- executive Chairman

Tim (aged 61) is currently non-executive chairman of Petards Group plc, an AIM quoted company and was non-executive chairman of Digica Group Holdings Limited, an IT outsourcing company backed by Bridgepoint Capital, until its sale to Computacentre PLC in January 2007. In 2000, as chief executive officer, he led a management buy-in of Knurr A.G., a German manufacturing business listed on the Munich Stock Exchange. Prior to that, he was chief executive of Rubicon Group plc, a company listed on the London Stock Exchange, from 1992 until its sale to Applied Power Inc. in 1998 when he became senior vice president of Applied Power Inc. and President of APW Enclosure Systems Division. From 1988 he was chief executive of CAS Group plc, a 3i backed business, until its sale to Intrum Justitia BV in 1992. Prior to that he worked at Yule Catto & Co. Ltd, Chloride Group PLC and Lloyds Bowmaker plc, where he became managing director of the Personal Lending Division. He holds an engineering degree and a MBA.

David Chisnall, OBE

Non-executive Director

David (aged 56) is currently chairman of FIRESA, the trade body representing the major equipment suppliers to the Fire and Rescue Authorities. He also convenes a European Standard Committee formulating new EU standards for fire equipment. He was awarded the OBE in the 2006 Queen's Birthday Honours for his services to the fire industry. In 1995, as managing director, he led the management buy-out of Angus Sacol with backing from Midland Growth Capital and 3i. In 2002, he led the management buy-out of the shareholding of Midland Growth Capital and 3i thereby acquiring 100 per cent control through Speed 5019 Limited to form the Speed Group. Prior to this, he was sales manager of the Aerial Equipment Division at Carmichael Fire (fire vehicle manufacturers) having joined the company in 1972. He began his career with an engineering apprenticeship at Staveley Machine Tools.

Adrian Bradshaw

Non-executive Director

Adrian (aged 50) is currently and has been a director of a number of public and private companies. He previously worked for Citicorp Scrimgeour Vickers, NatWest Markets and Guidehouse Limited and in 1989 he was appointed head of corporate finance of Arbuthnot Latham Bank. In 1991, he became chief executive of Incepta Group PLC before establishing Bradmount Investments Limited in 1993 as a private investment company where he has been involved in a number of floatations notably, GW Pharmaceuticals plc, RWS Group plc, Medical Solutions plc and Atlantic Global plc. He holds a BA (Hons) in law.

John Shannon

Chief Executive Officer

John (aged 41) led the BIMBO of the AssetCo Group in October 2005. He acquired Star Rentals Limited in 1997 and by January 2000, following the acquisition of the Lex Transfleet subsidiary in Northern Ireland, Chart Hire Services Limited, had formed Northern Ireland's largest privately owned fleet management company, Fleet Management Ireland. Upon selling Fleet Management Ireland to AssetCo he became a board member of AssetCo and managing director of AssetCo (Ireland) Limited, AssetCo Emergency Limited and AssetCo Vehicles Limited. Until 1996, he worked in Bank of Ireland's Corporate and International Banking division, prior to which he worked at KPMG. He holds a BSc (Hons) in Marine Biology, is a fellow of the Institute of Chartered Accountants in Ireland, a fellow of the Institute of Logistics and Transport, a member of the Institute of Bankers and holds a MBA.

Frank Flynn

Chief Financial Officer

Frank (aged 43) was part of the BIMBO team that acquired the AssetCo Group in October 2005. In the four years leading up to the BIMBO, he was an associate partner at PricewaterhouseCoopers ("PwC") with specific focus on realising shareholder value. He was responsible for activities in PwC's Omagh and Derry officers and managed human resources for Northern Ireland Assurance, a division of PwC employing over 300 people. He also managed a portfolio of audit clients. Prior to this, he worked for three years within the corporate finance division of the Industrial Development Board for Northern Ireland. He also spent six years with Crescent Capital/Hambro Northern Ireland Venture Capital Fund as an investment manager and was a non-executive director of UP Holdings Limited and Toughglass Limited. He holds a BSc (Hons) in Business and Accountancy, is a fellow of the Institute of Chartered Accountants in Ireland and was a licensed Insolvency Practitioner.

Advisors

Directors, Secretary and Advisors

Chairman	Timothy Wightman
Directors	David Chisnall Adrian Bradshaw John Shannon Frank Flynn
Secretary	Michael Lavender
Registered Office	800 Field End Road, South Ruislip, Middlesex HA4 0QH
Nominated adviser	Hoare Govett Limited 250 Bishopsgate London EC2M 4AA +44 (0)20 7678 8000
Auditors	Grant Thornton UK LLP Churchill House Chalvey Road East Slough Berkshire SL1 2LS
Financial adviser	Hoare Govett Limited 250 Bishopsgate London EC2M 4AA +44 (0)20 7678 8000
Reporting accountants	Grant Thornton UK LLP 43 Queen Square Bristol BS1 4QR
Corporate broker	Hoare Govett Limited 250 Bishopsgate London EC2M 4AA +44 (0)20 7678 8000
Legal adviser	Mills Selig 21 Arthur Street Belfast BT1 4GA Northern Ireland +44 (0)28 9024 3878
Financial PR	Buchanan Communications 45 Moorfields London EC2Y 9AE +44 (0)20 7466 5000
Legal adviser	Nabarro Nathanson Lacon House Thoebald's Road London WC1X 8RW + 44 (0)20 7524 6000
Registrars	Computershare Investor Services plc P.O. Box 1075 The Pavilions Bridgwater Road Bristol BS99 3FA +44 (0)8708 893 198

With thanks to London Fire Brigade for the use of photography in this report.

Notice of Annual General Meeting

Notice is hereby given that the Annual General meeting of AssetCo plc (the "Company") will be held at the offices of Hoare Govett Limited, 250 Bishopsgate, London EC2M 4AA at 11.00 am on Tuesday July 31st 2007 for the purposes of considering, and if thought fit, passing the following resolutions of which Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions and Resolution 9 will be proposed as a special resolution.

Resolution 1:
THAT the report of the directors and the audited accounts for the year ended 31st March 2007 laid before the meeting, be received.

Resolution 2:
THAT the Report on Directors' Remuneration as set out in the Annual Report for the year to 31st March 2007 be approved.

Resolution 3:
THAT Timothy Redmayne Wightman, the director retiring by rotation pursuant to Article 66, be re-elected a director of the company.

Resolution 4:
THAT Marcus John Shannon having been appointed by the board as a director of the company until the date of this meeting, and who retires pursuant to Article 64, be re-elected a director of the company.

Resolution 5:
THAT Raymond Frank Flynn having been appointed by the board as a director of the company until the date of this meeting, and who retires pursuant to Article 64, be re-elected a director of the company.

Resolution 6:
THAT Grant Thornton UK LLP be re-appointed auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are to be laid before the company and that their remuneration be determined by the directors.

Resolution 7:
THAT the entry into United Kingdom and Republic of Ireland employee Save As You Earn Schemes in standard formats suggested by HM Revenue & Customs and the Irish Revenue Commissioners be approved.

Resolution 8:
THAT for the purposes of section 80 of the Companies Act 1985 (the "Act"), the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £6,950,525, provided that this authority shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this Resolution, except that the Company may, before the expiry of such period, make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired, this authority to replace any existing like authority which is hereby revoked with immediate effect.

Resolution 9:
THAT the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94 of the Act) pursuant to the authority conferred upon them by Resolution 8 above (as varied from time to time by the Company in general meeting) as if section 89(1) of the Act did not apply to any such allotment PROVIDED THAT such power shall be limited to:

(i) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the Directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of the requirements of any recognised regulatory body in any territory or otherwise;

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £839,983;

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the Directors pursuant to Section 95 of the Act and shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this Resolution, except that the Company may, before the expiry of any power contained in this Resolution, make an offer or agreement which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board 2 July 2007

Michael Lavender
Company Secretary
800 Field End Road
South Ruislip
Middlesex
HA4 0QH

Notes:
Any member entitled to attend and vote at the Extraordinary General Meeting convened by this notice may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a shareholder of the Company.

Completing and returning a proxy form will not prevent a shareholder from attending the meeting and voting in person should he so wish.

To appoint a proxy the form enclosed with this notice should be completed and deposited at the offices of the Company's registrars not less than 48 hours before the meeting time of the Extraordinary General Meeting specified above.

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the relevant register of members (the "Register") for certificated or uncertificated shares of the Company (as the case may be) at 48 hours before the meeting time (the "Specified Time") will be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at that meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Registrar at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting at the time specified in the notice.

Financial Calendar

31st July 2007
Annual General Meeting

29th November 2007
Interim financial results announcement

29th May 2008
FY08 results announcement

30th June 2008
Annual General Meeting

AssetCo plc
800 Field End Road
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Middlesex
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