



Providers of management and resources to the fire and emergency services in the Middle East

Date: Monday, 30 June 2014

Immediate Release

AssetCo plc
("AssetCo" or the "Company")
Half-Yearly Financial Report
six months to 31 March 2014

Statement by the Chairman, Tudor Davies

Results

We are pleased to announce interim results that show a considerable improvement in operating profit from £0.3 million in 2013 to £1.1 million by March 2014. Revenue in the period was lower at £7.0 million compared to £8.6 million in 2013 reflecting a combination of the absence of a loss making equipment supply contract included in the corresponding period last year, and lower costs in connection with our claim against the former auditors.

As detailed in the 2013 Annual Report published on 28 March 2014 the Company has agreed the final form and specification for the continuation of the ongoing contract for the supply of Fire Services in Abu Dhabi. From our part, we have now completed and signed this contract and expect that the contract will be completed by the Abu Dhabi Government shortly and at that time, we will update shareholders accordingly.

Since the year end in September 2013, we have made progress in connection with the claim against the former auditors of the Group and a claim has been submitted in accordance with the Professional Negligence Pre-action Protocol, under which, the other side have an opportunity to respond. The claim is being made by AssetCo Plc for an amount of £50.8 million in respect of negligent audits of the AssetCo Group for the years ended 31 March 2009 and 31 March 2010.

The Company also received the gross amount of £2,420,900.00 on the exercise in December 2013 of 1,210,450 warrants. These warrants were issued at the time of the refinancing of the Company under a warrant instrument dated 9 September 2011.

Outlook

We continue to trade in line with management expectations and will keep shareholders updated on our progress during the year.

Tudor Davies
Chairman
30 June 2014

AssetCo plc
Consolidated Income statement
for the six month period to 31 March 2014

	Six months to 31 March 2014 £'000	31 March 2013 £'000	Year to 30 September 2013 £'000
Revenue	7,027	8,567	17,647
Cost of sales	(5,101)	(7,020)	(13,714)
Gross profit	1,926	1,547	3,933
Administrative expenses	(788)	(1,233)	(2,195)
Operating profit	1,138	314	1,738
Finance income	28	7	47
Finance costs	(134)	(283)	(526)
Profit before taxation	1,032	38	1,259
Income tax expense	-	-	-
Profit for the period	1,032	38	1,259
Earnings per share (EPS):		Restated	
Basic – pence	8.89	0.35	11.44
Diluted – pence	8.67	0.31	10.13

Diluted pence per share has been restated in the prior year to reflect the impact of share warrants within the weighted average number of shares in issue.

AssetCo plc
Consolidated Statement of Comprehensive Income
for the six month period to 31 March 2014

	Six months to 31 March 2014 £'000	31 March 2013 £'000	Year to 30 September 2013 £'000
Recognised profit for the period	1,032	38	1,259
Other comprehensive income:			
Exchange differences on translating foreign operations	(232)	233	(231)
Other comprehensive income, net of tax	(232)	233	(231)
Total comprehensive income for the period	800	271	1,028

AssetCo plc
Consolidated Statement of Financial Position
As at 31 March 2014

	Notes	31 March 2014 £'000	31 March 2013 £'000	30 September 2013 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		21	70	54
Cash held in respect of a bond		2,430	2,221	2,489
Total non-current assets		2,451	2,291	2,543
Current assets				
Inventories		-	684	29
Trade and other receivables	3	5,724	5,607	4,515
Cash and cash equivalents (excluding bank overdrafts)		5,058	4,118	4,134
Cash held as security against letters of credit		-	525	-
Cash held in respect of bond		2,430	2,221	2,489
Total current assets		13,212	13,155	11,167
TOTAL ASSETS		15,663	15,446	13,710
Shareholders' equity				
Share capital		25,474	25,353	25,353
Share premium		64,941	62,645	62,645
Foreign currency translation reserve		(345)	351	(113)
Profit and loss account		(76,944)	(79,197)	(77,976)
TOTAL EQUITY		13,126	9,152	9,909
LIABILITIES				
Current liabilities				
Trade and other payables	4	2,537	6,294	3,801
TOTAL CURRENT LIABILITIES		2,537	6,294	3,801
Total liabilities		2,537	6,294	3,801
TOTAL EQUITY AND LIABILITIES		15,663	15,446	13,710

AssetCo plc
Consolidated Statement of Changes in Equity
for the six month period to 31 March 2014

	Share Capital	Foreign currency translation reserve	Profit and loss reserve	Share premium	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 30 September 2012	25,353	118	(79,235)	62,645	8,881
Profit for the period	-	-	38	-	38
Other comprehensive income:					
Exchange differences on translation	-	233	-	-	233
Total comprehensive income for the period	-	233	38	-	271
Balance at 31 March 2013	25,353	351	(79,197)	62,645	9,152
Profit for the period	-	-	1,221	-	1,221
Other comprehensive income:					
Exchange differences on translation	-	(464)	-	-	(464)
Total comprehensive income for the period	-	(464)	1,221	-	757
Balance at 30 September 2013	25,353	(113)	(77,976)	62,645	9,909
Transactions with owners:					
Issue of shares	121	-	-	2,296	2,417
Transactions with owners for the period	121	-	-	2,296	2,417
Profit for the period	-	-	1,032	-	1,032
Other comprehensive income:					
Exchange differences on translation	-	(232)	-	-	(232)
Total comprehensive income for the period	-	(232)	1,032	-	800
Balance as at 31 March 2014	25,474	(345)	(76,944)	64,941	13,126

AssetCo plc
Consolidated Statement of Cash Flows
for the six month period to 31 March 2014

		Six months to		Year to
	Note	31 March 2014 £'000	31 March 2013 £'000	30 September 2013 £'000
Cash flows from operating activities				
Cash used in operations	5	(1,324)	(1,489)	(849)
Cash deposited in respect of a performance bond		-	-	(894)
Interest paid		(134)	(283)	(526)
Income taxes received		-	1,104	1,096
Net cash outflows from operating activities		(1,458)	(668)	(1,173)
Cash flows from investing activities				
Finance income		28	7	47
Purchase of property, plant and equipment		-	-	(6)
Cash deposited in respect of letters of credit		-	(525)	-
Net cash generated/(used) in investing activities		28	(518)	41
Cash flows from financing activities				
Issue of shares (net of costs)		2,417	-	-
Net cash generated from financing activities		2,417	-	-
Net change in cash and cash equivalents				
Cash, cash equivalents and bank overdrafts at the beginning of the period		4,134	5,266	5,266
Exchange differences on translation		(63)	38	-
Cash, cash equivalents and bank overdrafts at the end of the period		5,058	4,118	4,134

AssetCo plc
Notes to the Financial Statements
for the six month period to 31 March 2014

1. Legal status and activities

AssetCo plc (the "Company") is principally involved in the provision of management and resources to the fire and rescue emergency services in international markets. It currently trades through a branch in UAE and its strategy is to develop this business. As at period end, the company has no trading subsidiaries and therefore the principal activities of the Group are restricted to those of the company detailed above.

AssetCo plc is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire NP25 5JA. The Group operates from one site in UAE.

AssetCo plc shares are listed on the Alternative Investment Market ("AIM") of the London Stock Exchange.

2. Basis of preparation

The financial information in the half-yearly report has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The principal accounting policies used in preparing the half-year report are those the Group expects to apply in its financial statements for the year ending 30 September 2014 and are unchanged from those disclosed in the Annual Report and Consolidated Financial Statements for the year [ended or to]30 September 2013.

The financial information for the six months to 31 March 2014 and the six months to 31 March 2013 is unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year [ended or to] 30 September 2013 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies.

While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The financial statements have been presented in Sterling to the nearest thousand pounds (£'000) except where otherwise indicated.

3. Trade and Other Receivables

	31 March 2014 £'000	31 March 2013 £'000	30 September 2013 £'000
Trade receivables	4,959	3,363	3,676
Other receivables	71	427	67
Prepayments and accrued income	694	1,817	772
	5,724	5,607	4,515

4. Trade and Other Payables

	31 March 2014 £'000	31 March 2013 £'000	30 September 2013 £'000
Trade and other payables	859	1,977	908
Other payables	992	2,428	2,213
Other taxation and social security	7	3	4
Accruals and deferred income	679	1,886	676
	2,537	6,294	3,801

5. Reconciliation of profit before taxation to net cash used in operations

	31 March 2014 £'000	31 March 2013 £'000	30 September 2013 £'000
Profit for the period	1,032	38	1,259
Depreciation and impairment	12	7	26
Loss on sale of property, plant and equipment	19	-	-
Interest expense	134	283	526
Interest received	(28)	(7)	(47)
Decrease / (increase) in inventories	28	(283)	348
(Increase) / decrease in debtors	(1,332)	(576)	227
Decrease in creditors	(1,189)	(951)	(3,188)
Cash used in operations	(1,324)	(1,489)	(849)

6. Contingent liabilities

During the period to 30 September 2011 the Group entered into a Performance Bond relating to a UAE based contract that would determine a potential liability of 10% of the total contract value upon failure to fulfil all the terms of the contract. This liability would equate to a maximum of approximately £4m but has subsequently been increased to a maximum of approximately £5m as a result of a contract extension. The Bond will remain in place in full until 90 days after the customer has confirmed that all contractual terms have been met and it is expected that the confirmation will occur in the second half of this financial year. At completion of the 90 day period the potential liability under this Bond will reduce to 5% of the contract value and then reduce to 0% upon expiration of associated warranty periods and this is expected to be in approximately April 2017.

The Group has also provided an "Advanced Payment Guarantee" in connection to a UAE based contract. The guarantee provides for the repayment in part or full of payments received from the customer in advance of contractual service delivery. The guarantee was originally for approximately £8m but has been released down to a maximum liability of approximately £1million. The guarantee is expected to be released in full in the second half of this financial year ending September 2014.

7. Electronic Communications

The Company is not proposing to bulk print and distribute hard copies of this Half-yearly Financial Report for the six month period to 31 March 2014 unless specifically requested by individual shareholders; it can be downloaded from the Company's website at www.assetco.com.

News updates, Regulatory news, & Financial statements, can be viewed and downloaded from the Group's website, www.assetco.com. Copies can also be requested, in writing to, The Company Secretary, AssetCo plc, Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire NP25 5JA.

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AssetCo, is principally involved in the provision of management and resources to the fire and emergency services in the Middle East. For further details, visit the website, www.assetco.com.

Ticker: AIM: ASTO.L.

Market-cap £32.6m