Issued on behalf of AssetCo plc
Date: Friday 29 June 2012

Immediate Release

AssetCo plc

("AssetCo" or the "Company")

Results for the six-month period ended 31 March 2012

Statement by the Chairman, Tudor Davies

Introduction

This six-month financial period being reported upon follows on from the successful restructuring programme completed on 29 September 2011; this provided the basis for the Parent company AssetCo plc to be 'ring-fenced' from the rest of the Group. This has allowed the new team to focus on the successful outsourced Fire and Rescue operations in Middle East, thus moving away from the historic UK vehicle leasing and maintenance contracts which have consumed tens of millions of shareholder funds in recent years and been the principal reason for the significant decline in shareholder value.

Results

The results of the Parent company, AssetCo plc reflect the trading performance of the Company's contract for outsourced Fire and Rescue services in the United Arab Emirates ('UAE'), and for the six months ended 31 March 2012 Revenues were £5.52m; Operating profits £0.50m and profits after interest and taxation of £0.47m. The completion of the receipt of funds from shareholders as part of the financial restructuring increased net cash at Bank and in hand from £1.69m at 30 September 2011 to £5.2m at 31 March 2012, and net assets are £5.6m.

The Consolidated results which in the six –month period under review includes the trading of the UK businesses, shows Revenues of £18.17m; an Operating profit of £1.04m, before financing costs of £1.03m. As a consequence of a non cash one off gain of £5.2m resulting from the liquidation of various subsidiaries (as disclosed in note 4), the profit after tax for the period was £5.22m.

The change in accounting reference date to 30 September has resulted in the comparative six months results being those produced for the first half ended 30 September 2010 by previous management. These comparative interim results were prepared on bases different from the final audited numbers for the eighteen month period ended 30 September 2011 produced by new management.

Trading

The trading in the UAE has been satisfactory and in line with the contract and management expectations; the funds as part of the restructuring programme last September have been deployed in the UAE to replace capital that had previously been withdrawn.

As we explained a few months ago, the UK vehicle leasing and maintenance contracts appeared to be based on a flawed business model and finance structure, sustained by successive injections of shareholder funds raised without any reasonable prospect of shareholder value. On this basis, and because the contracts involve public services, the strategy was to continue to hold these businesses for the benefit of the customers and the Banks without any further allocation of capital, with a view in due course, to either refinancing or a disposal. Since then, Lincolnshire County Council decided to take the contract in-house, and currently, we are continuing to work with the Banks and London Fire Brigade on the remaining vehicle leasing and maintenance contract to arrive at a mutually satisfactory outcome.

Outlook

The restructuring implemented last year has provided the platform to focus on renewing the existing and successful contract in the UAE, whilst also pursuing other opportunities with our partners in the region.
We will keep shareholders updated as appropriate throughout the year.

29 June 2012

Company Profit and Loss Account for the six month period ended 31 March 2012

	six months to 31 March 2012	18 months to 30 September 2011		
	Total	Pre-exceptional	Exceptional items	Total
	£'000	£'000	£'000	£'000
Turnover	**5,520**	12,796	-	12,796
Cost of sales	**(4,026)**	(8,372)	-	(8,372)
Gross profit	**1,494**	4,424	-	4,424
Administrative expenses	**(992)**	(4,837)	(23,672)	(28,509)
Operating profit /(loss)	**502**	(413)	(23,672)	(24,085)
Exceptional items	**-**	-	106,628	106,628
Profit / (loss) on ordinary activities before interest and taxation	**502**	(413)	82,956	82,543
Interest receivable and similar income	**4**	57	-	57
Interest payable and similar charges	**(38)**	(245)	-	(245)
Profit / (loss) on ordinary activities before taxation	**468**	(601)	82,956	82,355
Tax on profit / (loss) on ordinary activities	**-**	-	-	-
Profit / (loss) for the period	**468**	(601)	82,956	82,355

All activities relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profits for the financial period stated above, and their historical cost equivalent.

There are no gains or losses other than the profit of £468,000, with the exception of the foreign exchange differences on translation of £15,000, attributable to the shareholders for the period ended 31 March 2012 (2011: profit of £82,355,000) and therefore no separate statement of total recognised gains and losses has been presented.

Company Balance Sheet
As at 31 March 2012

	31 March 2012		30 September 2011	
	£'000	**£'000**	£'000	£'000
NET ASSETS EMPLOYED				
Fixed assets				
Tangible fixed assets		**88**		103
Current assets				
Debtors	**3,622**		11,841	
Cash held in respect of the Scheme of Arrangement	**-**		5,000	
Cash held in respect of a bond	**4,136**		4,226	
Cash at bank and in hand	**5,246**		1,688	
	13,004		22,755	
Current liabilities				
Creditors - Amounts falling due within one year	**(7,476)**		(12,695)	
Amount owed to the Scheme of Arrangement	**-**		(5,000)	
	(7,476)		(17,695)	
Net current assets		**5,528**		5,060
Total assets less current liabilities and net assets		**5,616**		5,163
REPRESENTED BY				
Called up share capital		**25,353**		25,353
Share premium account		**62,645**		62,645
Merger reserve		**68,293**		68,293
Profit and loss reserve		**(150,675)**		(151,128)
Shareholders' funds		**5,616**		5,163

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.

On the 29 September 2011 a share placing totalling £14,000,000 and a creditor scheme of arrangement were approved, whereby effectively all known and unknown liabilities were settled for a total consideration of £5,000,000 and the Company became ring fenced from all UK subsidiaries.

It is also the ultimate holding company for various UK domiciled subsidiaries, including AssetCo London Limited and AssetCo Engineering Limited who operate under a PFI contract to provide and maintain fire and rescue equipment for the London Fire Brigade.

2. Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

On the 9 September 2011, the Company announced a change in its accounting reference date from 31 March to 30 September.

3. Subsequent events

Post balance sheet events are disclosed in note 7 to the consolidated financial statements.

Consolidated Income Statement

for the six month period ended 31 March 2012

	Note	**six months to 31 March 2012**	six months to 30 September 2010	18 months to 30 September 2011
	No	**£'000**	£'000	£'000
Revenue		**18,166**	17,125	49,005
Cost of sales		**(11,892)**	(5,768)	(26,853)
Gross profit		**6,274**	11,357	22,152
Administrative expenses		**(5,238)**	(5,048)	(34,203)
Operating profit / (loss)		**1,036**	6,309	(12,051)
Analysed as:				
Operating profit / (loss) before exceptional items		**1,036**	6,373	(2,490)
Exceptional items		**-**	(64)	(9,561)
Profit from disposal of businesses	4	**5,215**	-	-
Finance income		**10**	-	159
Finance costs		**(1,621)**	(2,229)	(8,306)
Gain / (loss) on fair value of financial instruments		**577**	(713)	(1,390)
Profit / (loss) before tax		**5,217**	3,367	(21,588)
Income tax expense		**-**	(754)	-
Profit / (loss) for the period from continuing operations		**5,217**	2,613	(21,588)
Discontinued operations				
Loss for the period from discontinued operations		**-**	(5,302)	(610)
Profit / (loss) for the period		**5,217**	(2,689)	(22,198)
Earnings per share (EPS)				
Basic and diluted - pence				
Continuing operations		**47.42**	2.90	(14.71)
Discontinued operations		**0.00**	(3.00)	(0.42)

Consolidated Statement of Comprehensive Income

for the six month period ended 31 March 2012

	six months to 31 March 2012	six months to 30 Sept 2010	18 months to 30 Sept 2011
	£'000	£'000	£'000
Recognised profit / (loss) for the period	**5,217**	(2,689)	(22,198)
Other comprehensive income			
Exchange differences on translating foreign operations	**(9)**	2	165
Actuarial losses on defined benefit pensions plan	**-**	-	(1,846)
Other comprehensive income, net of tax	**(9)**	2	(1,681)
Total comprehensive income for the period	**5,208**	(2,687)	(23,879)

Consolidated Statement of Financial Position
As at 31 March 2012

	31 March 2012 £'000	30 September 2010 £'000	30 September 2011 £'000
Assets			
Non-current assets			
Property, plant and equipment	**21,065**	80,776	24,332
Goodwill	**-**	47,905	-
Other intangible assets	**-**	12,739	100
Investment in associate	**-**	414	-
Deferred tax asset	**-**	4,377	-
Retirement benefit surplus	**-**	429	-
Cash held in respect of a bond	**4,136**	-	4,226
Total non-current assets	**25,201**	146,640	28,658
Current assets			
Inventories	**278**	400	291
Trade and other receivables	**5,517**	28,421	13,326
Cash and cash equivalents (excluding bank overdrafts)	**6,846**	5,857	4,395
Cash held in respect of scheme of arrangement	**-**	-	5,000
Total current assets	**12,641**	34,678	23,012
Assets held for sale	**-**	10,070	-
Total assets	**37,842**	191,388	51,670
Shareholders' equity			
Share capital	**25,353**	22,678	25,353
Equity component of compound financial instruments	**-**	7,917	-
Share premium	**62,645**	29,288	62,645
Reverse acquisition reserve	**(12,644)**	(11,701)	(12,644)
Foreign currency translation reserve	**98**	(56)	107
Other reserves	**-**	710	-
Profit and loss account	**(145,506)**	9,325	(150,723)
Total equity	**(70,054)**	58,161	(75,262)
Liabilities			
Current liabilities			
Trade and other payables	**15,960**	18,708	21,546
Amount held in respect of scheme of arrangement	**-**	-	5,000
Short-term provisions	**1,389**	-	3,638
Tax liabilities	**-**	2,511	-
Bank loans and short term borrowings	**77,401**	15,280	78,166
Derivative financial instruments	**6,634**	6,534	7,211
Total current liabilities	**101,384**	43,033	115,561
Non-current liabilities			
Long-term borrowings	**-**	67,692	-
Liability component of compound financial instruments	**-**	8,650	-
Deferred tax liabilities	**-**	9,060	-
Retirement benefit liabilities	**1,112**	-	1,112
Long-term provisions	**5,400**	-	10,259
Total non-current liabilities	**6,512**	85,402	11,371
Liabilities associated with assets held for sale	**-**	4,792	-
Total liabilities	**107,896**	133,227	126,932
Total equity and liabilities	**37,842**	191,338	51,670

Consolidated Statement of Changes in Equity
for the six month period ended 31 March 2012

	Share capital £'000	Reverse acquisition reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Profit and loss reserve £'000	Equity component of compound financial instruments £'000	Share premium £'000	Total equity £'000
Balance at 31 March 2010 (Restated)	22,678	(12,644)	(58)	680	(133,236)	7,917	29,288	**(85,375)**
Transactions with owners:								
Dividends	-	-	-	-	(1,360)	-	-	**(1,360)**
Preference share expense	-	-	-	-	7,917	(7,917)	-	**-**
Share based payments	-	-	-	(680)	-	-	-	**(680)**
Issue of shares	2,675	-	-	-	-	-	33,357	**36,032**
Transactions with owners	2,675	-	-	(680)	6,557	(7,917)	33,357	**33,992**
Loss for the period	-	-	-	-	(22,198)	-	-	**(22,198)**
Other comprehensive income:								
Exchange differences on translation	-	-	165	-	-	-	-	**165**
Actuarial losses on defined benefit pensions plan	-	-	-	-	(1,846)	-	-	**(1,846)**
Total comprehensive income for the period	-	-	165	-	(24,044)	-	-	**(23,879)**
Balance at 30 September 2011	25,353	(12,644)	107	-	(150,723)	-	62,645	**(75,262)**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the period	-	-	-	-	5,217	-	-	**5,217**
Other comprehensive income:								
Exchange differences on translation	-	-	(9)	-	-	-	-	**(9)**
Total comprehensive income for the period	**-**	**-**	**(9)**	**-**	**5,217**	**-**	**-**	**5,208**
Balance at 31 March 2012	**25,353**	**(12,644)**	**98**	**-**	**(145,506)**	**-**	**62,645**	**(70,054)**

Consolidated Statement of Cash Flows

for the six month period ended 31 March 2012

	Note	**six months to 31 March 2012**	six months to 30 September 2010	18 months to 30 September 2011
		£'000	£'000	£'000
Cash flows from operating activities	Note			
Cash generated from operations	6	**(3,399)**	8,447	4,554
Interest paid		**(1,621)**	(2,229)	(7,038)
Income taxes paid		**-**	-	(1,096)
Contributions to defined benefit pension schemes		**-**	(117)	-
Net cash (out) / inflows from operating activities		**(5,020)**	6,101	(3,580)
Cash flows from investing activities				
Finance income		**10**	-	57
Disposal of businesses		**-**	-	2,515
Purchase of intangible assets		**-**	(4,964)	-
Purchase of property, plant, and equipment		**(94)**	(9,314)	(2,589)
Sale of property, plant, and equipment		**-**	-	566
Cash deposited in respect of scheme of arrangement and a bond		**-**	-	(9,226)
Net cash used in investing activities		**(84)**	(14,278)	(8,677)
Cash flows from financing activities				
Issue of shares (net of costs)		**8,041**	-	20,491
Dividends paid		**-**	-	(847)
Dividends management charges		**-**	-	(450)
Repayments of amounts borrowed		**-**	(1,704)	(3,001)
Increase in borrowings		**-**	-	1,296
Finance lease additions		**339**	6,515	10,523
Finance lease repayments		**(847)**	(5,383)	(12,765)
Net cash generated /(used) in financing activities		**7,533**	(572)	15,247
Net cash and cash equivalents		**2,429**	(8,749)	2,990
Cashflow from discontinued operations		**-**	(454)	-
Net change in cash and cash equivalents		**2,429**	(9,203)	2,990
Cash, cash equivalents and bank overdrafts at beginning of period		**4,377**	12,487	1,387
Cash disposed of with businesses		**(11)**	-	-
Cash, cash equivalents and bank overdrafts at end of period		**6,795**	3,284	4,377

1. Legal status and activities

AssetCo plc and its subsidiaries (together "the Group") are principally involved with the provision of management services, the provision of asset management services and the supply of specialist equipment to the emergency services market.

AssetCo plc is a public limited liability company incorporated and domiciled in England and Wales. The address of its Registered office is 800 Field End Road, South Ruislip, Middlesex HA4 0QH. The Group operates from two sites throughout the United Kingdom, one in the Republic of Ireland, and one in UAE.

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

On 9 September 2011 the Group announced a change in its accounting reference date from 31 March to 30 September.

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 2012 and are unchanged from those disclosed in the Annual report and consolidated financial statements for the year ended 30 September 2011.

The financial information for the six months ended 31 March 2012 and the six months ended 30 September 2010 is unaudited and does not constitute the Group's statutory financial statements for those periods. In addition, since the publication of the half-yearly results for the six months ended 30 September 2010 the Group has undertaken a substantial restatement of its financial statements for the twelve months ended 31 March 2010; further details are contained within the Annual report and consolidated financial statements for the year ended 30 September 2011. The comparative financial information for the full year ended 30 September 2011 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.

3. Restatement note

During 2011, AssetCo identified omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

a) was available when financial statements for those periods were authorised for issue; and

b) could reasonably be expected to have been obtained and taken into account in the preparation of those financial statements.

Accounting standards define such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

The Group therefore restated the 2009 and 2010 Balance Sheets, 2010 Income Statement and 2010 Cash Flow Statement to reflect the relevant adjustments as explained in the 2011 Annual Report and Accounts which have been filed with Companies House.

4. Planned Restructuring - Profit on Disposal of Businesses

On 1 March 2012, AssetCo Fire & Rescue Limited, a non trading Holding Company, entered Liquidation. Accordingly, as of this date, AssetCo Fire & Rescue Limited and its remaining subsidiaries, a number of dormant and legacy companies, have been excluded from the Consolidated financial statements for the AssetCo Group. The exclusion of associated liabilities with no recourse to the remaining AssetCo Group companies has resulted in a Profit on Disposal of Subsidiaries of £5,215,000.

5. Property, plant and equipment

	Leasehold land and buildings	Leasehold improvements	Fixtures and fittings	Equipment plant and machinery	Assets under long term arrangements	**Total**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost						
At 31 March 2010 (Restated)	-	2,244	324	5,336	81,584	**89,488**
Additions	-	-	143	61	2,385	**2,589**
Disposals	-	(19)	(235)	(58)	(2,302)	**(2,614)**
Assets held for sale	1,050	346	187	815	-	**2,398**
Exchange differences	-	(10)	(6)	(7)	-	**(23)**
At 30 September 2011	1,050	2,561	413	6,147	81,667	**91,838**
Additions	-	-	-	-	94	**94**
Disposals	-	-	-	(550)	(1,350)	**(1,900)**
Disposal of subsidiaries	-	(1,780)	(252)	(4,089)	(454)	**(6,575)**
Exchange differences	-	(30)	(16)	(25)	-	**(71)**
At 31 March 2012	1,050	751	145	1,483	79,957	**83,386**
Accumulated depreciation						
At 31 March 2010 (Restated)	-	1,483	219	4,863	54,783	**61,348**
Charge for the year	1,032	401	90	273	4,186	**5,982**
Disposals	-	(3)	(116)	(30)	(575)	**(724)**
Assets held for sale	18	37	134	741	(17)	**913**
Exchange differences	-	(2)	(4)	(7)	-	**(13)**
At 30 September 2011	1,050	1,916	323	5,840	58,377	**67,506**
Charge for the year	-	28	14	66	1,748	**1,856**
Impairment	-	-	-	(4)	1,093	**1,089**
Disposal of subsidiaries	-	(1,437)	(252)	(4,036)	(454)	**(6,179)**
Disposals	-	-	-	(550)	(1,350)	**(1,900)**
Exchange differences	-	(12)	(14)	(25)	-	**(51)**
At 31 March 2012	1,050	495	71	1,291	59,414	**62,321**
Net book amount						
At 31 March 2012	-	256	74	192	20,543	**21,065**
At 30 September 2011	-	645	90	307	23,290	**24,332**
At 31 March 2010	-	761	105	473	26,801	**28,140**

The net book value of assets held under finance leases amounts to £20,543,000 (2011 :£23,290,000, 2010: restated £26,801,000).

Assets under long-term arrangements

Assets under long-term arrangements comprise principally of items of operational equipment and motor vehicles that have been provided to customers under the Group's Private Finance Initiative and Public Private Partnership long-term contracts.

Depreciation

Depreciation and impairment expense of £2,856,000 (2011: £11,760,000, 2010: restated £7,617,000) has been charged in cost of sales and £89,000 (2011: £351,000 2010: restated £700,000) in administrative expenses.

Security

Leasehold land and buildings with a carrying amount of £nil (2011: £nil, 2010: £1,041,000) have been pledged to secure borrowings of the Group under a mortgage. The Group is not permitted to pledge these assets as security for other borrowings or to sell them to another entity.

In addition, the Group's obligations under finance leases are secured by the lessors' title to the leased assets, which have a carrying amount of £nil (2011: £nil, 2010: £2,047,000).

Assets under long-term arrangements include a net book value of £20,543,000 (2011: £23,290,000, 2010: restated £26,801,000) in respect of assets secured by the lessor.

6. Reconciliation of profit / (loss) before tax to net cash generated from operations

	31 Mar 2012	30 Sep 2010	30 Sep 2011
	£'000	£'000	£'000
Profit / (loss) for the year before taxation	**5,217**	3,367	(22,198)
Depreciation and impairment	**2,945**	3,252	5,982
Amortisation and impairment	**66**	164	184
Loss on sale of property, plant, and equipment	**-**	-	347
(Profit) / loss on disposal of businesses	**(5,215)**	-	610
Share-based payments	**-**	30	(680)
Interest Rate Swaps	**(577)**	713	1,390
Other finance income	**-**	-	(102)
Interest expense	**1,621**	2,229	7,826
Interest received	**(10)**	-	(57)
Other non-cash movements	**-**	-	3,737
Increase in inventories	**13**	180	374
Increase in debtors	**(243)**	(199)	(1,013)
(Increase)/decrease in creditors	**(5,619)**	(1,289)	9,169
Increase in provisions	**(1,597)**	-	(1,108)
Loss on pension settlement	**-**	-	30
Service cost in excess of contributions to the DB pension scheme	**-**	-	63
Cash (used) / generated from operations	**(3,399)**	8,447	4,554

Analysis of net debt

	2012	2011
	£'000	£'000
Bank borrowings	**16,323**	16,116
Finance lease liabilities	**61,026**	62,032
Bank overdrafts	**52**	18
Cash at bank and in hand	**(10,982)**	(13,621)
	66,419	64,545
Interest rate swaps	**6,634**	7,211
	73,053	71,756

Net debt of £73,053,000 (2011: £71,756,000) includes the fair value of the interest rate swaps taken out with HBOS and Co-Op and cash held in a bond £4,136,000 (2011: £4,226,000) and cash held in the scheme of arrangement of £nil, (2011: £5,000,000).

7. Post Balance Sheet Events

The Annual Report and Financial statements for the 18 month period ended 30 September 2011 (published on 12 April 2012), referred under 'Post Balance sheet events' to a termination notice that had been received claiming an irredeemable breach in relation to a smaller vehicle and asset leasing contract the Group operates on behalf of Lincoln County Council.

Accordingly, the contract terminated and the employees of the AssetCo subsidiary which operates the contract were transferred to Lincoln County Council.

During the 18 month financial period reported upon, the Lincoln County Council contract accounted for £4.4 million of the Group's total revenue of £49 million. The contract was operated through a subsidiary, AssetCo Lincoln Limited, and in the financial period referred, it had net liabilities of £8.4 million after bank debt of £10.01 million; revenues of £4.4 million; profit before tax and exceptional items of £0.11 million; and a loss before tax and after exceptional items of £1.0 million. The bank debt referred to is secured upon the assets of AssetCo Lincoln Limited and there is no further recourse to the AssetCo Group. Although the contract provides for payments from Lincoln County Council in the event of termination, it is unlikely that the AssetCo Group will recover any sums over and above that pledged by AssetCo Lincoln Limited to its bank.

Enquiries:

Tudor Davies, Executive Director
AssetCo plc
Tel: +44 (0) 20 8515 3999
www.assetco.com
Ticker AIM: ASTO.L

Richard Day/ Jamie Cameron
Arden Partners plc
Tel:+44 (0) 20 7614 5900

Fiona Tooley
TooleyStreet Communications
Mobile: +44 (0) 7785 703 523