



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

Date: Friday, 19 June 2015

Immediate Release

AssetCo plc

("AssetCo" or the "Company")

Half-yearly financial report

Six months ended 31 March 2015

Introduction

We are pleased to announce the results for the six months ended 31 March 2015 which show good progress and increased profits and cash generation.

Results

The Income statement for the six months ended 31 March 2015 shows an Operating Profit of £1.76m (2014: £1.14m) on Revenue of £10.4m (2014: £7.0m) and a Profit for the period of £1.5m (2014: £1.0m). The improvement in profitability reflects the increase in the size of our contracts in the Middle East; headcount has increased from 171 to 216. Basic Earnings per share in the period was 12.30p (2014: 8.89p).

Cash generation

The Company generated £4.7m of free unrestricted cash in the six months under review, with £2.5m net releases from contract Bonds and the remaining £2.2m generated from operations.

We currently have total cash of £13.4m (2014: £9.9m) comprising free cash balances of £10.5m (2014: £5.1m) and restricted cash balances held in respect of Bonds amounting to £2.9m (2014: £4.9m).

Claim against former auditors

We have now received a response to our claim against our former auditors Grant Thornton, lodged under the Professional Negligence Pre-action Protocol, and the next stage is a mediation hearing which is expected to take place in October 2015.

Current trading

Trading continues in line with the current contracts and management's expectations, and we will keep shareholders updated with progress during the course of the year.

Tudor Davies

Chairman

19 June 2015

AssetCo plc
Consolidated Income Statement
for the six months ended 31 March 2015

	Six months ended		Year ended
	31 March 2015 £'000	31 March 2014 £'000	30 September 2014 £'000
Revenue	10,418	7,027	14,634
Cost of sales	(7,985)	(5,101)	(10,865)
Gross profit	2,433	1,926	3,769
Administrative expenses	(672)	(788)	(1,169)
Operating profit	1,761	1,138	2,600
Finance income	10	28	9
Finance costs	(269)	(134)	(356)
Profit before taxation	1,502	1,032	2,253
Income tax expense	-	-	-
Profit for the period	1,502	1,032	2,253
Earnings per share (EPS):			
Basic – pence	12.30	8.89	18.92
Diluted – pence	12.30	8.67	18.46

AssetCo plc
Consolidated Statement of Comprehensive Income
for the six months ended 31 March 2015

	Six months ended		Year ended
	31 March 2015 £'000	31 March 2014 £'000	30 September 2014 £'000
Recognised profit for the period	1,502	1,032	2,253
Other comprehensive income/(expense):			
Exchange differences on translating foreign operations	1,107	(232)	137
Other comprehensive income/(expense), net of tax	1,107	(232)	137
Total comprehensive income for the period	2,609	800	2,390

AssetCo plc
Consolidated Statement of Financial Position
As at 31 March 2015

	Notes	At 31 March 2015 £'000	At 31 March 2014 £'000	At 30 September 2014 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		2	21	12
Cash held in respect of Bonds		2,881	2,430	2,482
Total non-current assets		2,883	2,451	2,494
Current assets				
Inventories		-	-	333
Trade and other receivables	3	6,064	5,724	6,220
Cash and cash equivalents (excluding bank overdrafts)		10,503	5,058	5,787
Cash held as security against letters of credit		55	-	-
Cash held in respect of Bonds		-	2,430	2,509
Total current assets		16,622	13,212	14,849
TOTAL ASSETS		19,505	15,663	17,343
Shareholders' equity				
Share capital		25,474	25,474	25,474
Share premium		64,941	64,941	64,941
Foreign currency translation reserve		1,131	(345)	24
Profit and loss account		(74,221)	(76,944)	(75,723)
TOTAL EQUITY		17,325	13,126	14,716
LIABILITIES				
Current liabilities				
Trade and other payables	4	2,180	2,537	2,627
Total current liabilities		2,180	2,537	2,627
TOTAL LIABILITIES		2,180	2,537	2,627
TOTAL EQUITY AND LIABILITIES		19,505	15,663	17,343

AssetCo plc
Consolidated Statement of Changes in Equity
for the six months ended 31 March 2015

	Share Capital	Foreign currency translation reserve	Profit and loss reserve	Share premium	Total equity
	£'000	£'000	£'000	£'000	£'000
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 expense:					
Exchange differences on translation	-	(232)	-	-	(232)
Total comprehensive (expense) / income for the period	-	(232)	1,032	-	800
Balance at 31 March 2014	25,474	(345)	(76,944)	64,941	13,126
Profit for the period	-	-	1,221	-	1,221
Other comprehensive income:					
Exchange differences on translation	-	369	-	-	369
Total comprehensive income for the period	-	369	1,221	-	1,590
Balance at 30 September 2014	25,474	24	(75,723)	64,941	14,716
Profit for the period	-	-	1,502	-	1,502
Other comprehensive income:					
Exchange differences on translation	-	1,107	-	-	1,107
Total comprehensive income for the period	-	1,107	1,502	-	2,609
Balance as at 31 March 2015	25,474	1,131	(74,221)	64,941	17,325

AssetCo plc

Consolidated Statement of Cash Flows

for the six months ended 31 March 2015

	Note	Six months ended		Year ended
		31 March 2015 £'000	31 March 2014 £'000	30 September 2014 £'000
Cash flows from operating activities				
Cash generated / (used) in operations	5	2,253	(1,324)	(380)
Cash deposited in respect of Performance Bonds		(223)	-	(30)
Cash released in respect of Performance Bonds		2,814	-	-
Cash deposited in respect of a letter of credit		(55)	-	-
Interest paid		(269)	(134)	(356)
Net cash generated from / (used in) operating activities		4,520	(1,458)	(766)
Cash flows from investing activities				
Finance income		10	28	9
Net cash generated from investing activities		10	28	9
Cash flows from financing activities				
Issue of shares (net of costs)		-	2,417	2,417
Net cash generated from financing activities		-	2,417	2,417
Net change in cash and cash equivalents				
Cash, cash equivalents and bank overdrafts at the beginning of the period		5,787	4,134	4,134
Exchange differences on translation		186	(63)	(7)
Cash, cash equivalents and bank overdrafts at the end of the period		10,503	5,058	5,787

AssetCo plc

Notes to the Financial Statements

for the six months ended 31 March 2015

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 (Symbol: ASTO)

2. Basis of preparation

The financial information in the half-yearly financial 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 2015 and are unchanged from those disclosed in the Annual Report and Consolidated Financial Statements for the year ended 30 September 2014.

The financial information for the six months ended 31 March 2015 and the six months ended 31 March 2014 is unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year ended 30 September 2014 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 financial report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly financial 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 2015 £'000	31 March 2014 £'000	30 September 2014 £'000
Trade receivables	5,166	4,959	5,132
Other receivables	78	71	149
Prepayments and accrued income	820	694	939
	6,064	5,724	6,220

4. Trade and other payables

	31 March 2015 £'000	31 March 2014 £'000	30 September 2014 £'000
Trade and other payables	263	859	1,108
Other payables	616	992	504
Other taxation and social security	4	7	4
Accruals and deferred income	1,297	679	1,011
	2,180	2,537	2,627

5. Reconciliation of profit before taxation to net cash generated from / (used) in operations

	31 March 2015 £'000	31 March 2014 £'000	30 September 2014 £'000
Profit for the period before taxation	1,502	1,032	2,253
Depreciation and impairment	11	12	22
Loss on sale of property, plant and equipment	-	19	19
Interest expense	269	134	356
Interest received	(10)	(28)	(9)
Decrease / (increase) in inventories	365	28	(304)
Decrease / (increase) in debtors	762	(1,332)	(1,720)
Decrease in creditors	(646)	(1,189)	(997)
Cash generated from / (used) in operations	2,253	(1,324)	(380)

6. Contingent liabilities

During the period ended 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 fulfill all the terms of the contract. This liability initially equated to a maximum of approximately £4m but subsequently increased to a maximum of approximately £5m as a result of a contract extension. During the 2015 financial year the customer confirmed that all contractual terms had been met and consequently in February 2015 the potential liability under this Bond reduced to 5% of the contract value, approximately £2.5m. This will reduce further to 0% upon expiration of associated warranty periods which is expected to occur in approximately July 2017.

During the period ended 30 September 2011 the Group also provided an "Advanced Payment Guarantee" of approximately £8m in connection to a UAE based contract. The guarantee provided for the repayment in part or full of payments received from the customer in advance of contractual service delivery. The guarantee was released in full by 31 October 2014.

During the period ended 30 September 2014 the Group entered into a second Performance Bond, relating to a contract replacing that referred to above, and that would determine a potential liability of approximately £2m upon failure to fulfill all the terms of the contract. It is expected that this will reduce to approximately £1m during the 2017 financial year and then will be released in full during the 2020 financial year.

During the period ended 30 September 2014 the Group also entered into a third Performance Bond, relating to a further 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. The potential liability equates to approximately £0.1m and was released in full in March 2015.

During the period ended 31 March 2015 the Group entered into a further Performance Bond, relating to an additional UAE based contract that would determine a potential liability of approximately £0.1m upon failure to fulfil all the terms of the contract. It is expected this will lapse during the 2017 financial year.

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 ended 31 March 2015 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.

Symbol: AiM: **ASTO**; Market cap: £35.42m