



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

Date: **Thursday, 27 June 2013**

Immediate Release

AssetCo plc

("AssetCo" or the "Company")

Half-Year results for the six months ended 31 March 2013

Statement by the Chairman, Tudor Davies

Introduction

These results for the six months ended 31 March 2013 reflect continued trading from the Group's outsourced fire and rescue operations in the Middle East.

Results

The Consolidated Income Statement for the period shows an Operating Profit of £0.3m (2012: £1.0m) on Revenue of £8.6m (2012: £18.2m), and a Profit after tax of £0.04m (2012: £5.2m).

The reduction in Revenue reflects the disposal of UK vehicle leasing and maintenance businesses announced in August 2012 and which was reported upon in the Annual Report and Financial Statements for the year ended 30 September 2012.

The Group's operations are focused on providing management and resources to the fire and emergency services in the Middle East. Operating Profit during the first six months have been affected by one-off costs of approximately £0.6m and these relate to the completion of the construction portion of the Company's principal contract in the Middle East.

The Group remains in a comfortable cash positive position with Free Cash of £4.1m, and cash in support of bonds of £4.4m and letters of credit of £0.5m. Further details are set out in Note 8 to these results.

As reported in our last Annual financial statements, the new Board intends pursuing claims against the former auditors of the Group for an amount currently estimated at £50m. As a consequence, during the first half, approximately £0.4m of expenses have been incurred in preparing claims associated with the audit of past financial statements, and such costs are anticipated to continue until this matter is concluded.

Current Trading

Trading in the Middle East continues to be satisfactory and in line with management expectations. Discussions are continuing on renewing the arrangements and in the meantime, the principal contract has been extended to November 2013 to allow the opportunity to finalise a longer term agreement.

We look forward to keeping shareholders updated as appropriate during the year.

Tudor Davies
Chairman

27 June 2013

AssetCo plc

Consolidated Income statement

for the six month period ended 31 March 2013

	Note	Six months to		Year to 30 September 2012	
		31 March 2013 £'000	31 March 2012 £'000	Continuing £'000	Discontinued £'000
Revenue		8,567	18,166	15,923	19,802
Cost of sales		(7,020)	(11,892)	(10,927)	(11,794)
Gross profit		1,547	6,274	4,996	8,008
Administrative expenses		(1,233)	(5,238)	(1,618)	(5,284)
Operating profit		314	1,036	3,378	2,724
Profit from disposal of businesses	3	-	5,215	-	81,788
Finance income		7	10	51	19
Finance costs		(283)	(1,621)	(492)	(2,841)
Gain/(loss) on fair value of financial instruments		-	577	-	(303)
Profit before taxation		38	5,217	2,937	81,387
Income tax credit		-	-	1,096	-
Profit for the period		38	5,217	4,033	81,387
Discontinued operations					
Profit for the period from discontinued operations				81,387	
Profit for the period				85,420	
Earnings per share (EPS) -					
-Basic-pence					
Continuing operations		0.35	47.42	36.66	
Discontinued operations				739.83	
-Diluted - pence					
Continuing operations		0.26	35.98	27.81	
Discontinued operations				561.26	

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Consolidated Statement of Comprehensive Income

for the six month period ended 31 March 2013

	Six months to		Year to
	31 March 2013 £'000	31 March 2012 £'000	30 September 2012 £'000
Recognised profit for the period	38	5,217	85,420
Other comprehensive income:			
Exchange differences on translating foreign operations	233	(9)	11
Actuarial losses on defined benefit pensions plan	-	-	(1,288)
Other comprehensive income, net of tax	233	(9)	(1,277)
Total comprehensive income for the period	271	5,208	84,143

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Consolidated Statement of Financial Position
As at 31 March 2013

	Notes	31 March 2013 £'000	31 March 2012 £'000	30 September 2012 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		70	21,065	74
Cash held in respect of a bond		2,221	4,136	2,042
Total non-current assets		2,291	25,201	2,116
Current assets				
Inventories		684	278	377
Trade and other receivables	4	5,607	5,517	5,838
Cash and cash equivalents (excluding bank overdrafts)		4,118	6,846	5,266
Cash held as security against letters of credit		525	-	-
Cash held in respect of bond		2,221	-	2,042
Total current assets		13,155	12,641	13,523
TOTAL ASSETS		15,446	37,842	15,639
Shareholders' equity				
Share capital		25,353	25,353	25,353
Share premium		62,645	62,645	62,645
Reverse acquisition reserve		-	(12,644)	-
Foreign currency translation reserve		351	98	118
Profit and loss account		(79,197)	(145,506)	(79,235)
TOTAL EQUITY		9,152	(70,054)	8,881
LIABILITIES				
Current liabilities				
Trade and other payables	5/6	6,294	15,960	6,758
Short-term provisions		-	1,389	-
Bank loans and short term borrowings		-	77,401	-
Derivative financial instruments		-	6,634	-
TOTAL CURRENT LIABILITIES		6,294	101,384	6,758
Non-current liabilities				
Retirement benefit liabilities		-	1,112	-
Long-term provisions		-	5,400	-
Total non-current liabilities		-	6,512	-
Total liabilities		6,294	107,896	6,758
TOTAL EQUITY AND LIABILITIES		15,446	37,842	15,639

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Consolidated Statement of Changes in Equity

for the six month period ended 31 March 2013

	Share Capital	Reserve acquisition reserve	Foreign currency translation reserve	Profit and loss reserve	Share premium	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 30 September 2011	25,353	(12,644)	107	(150,723)	62,645	(75,262)
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)
Profit for the period	-	-	-	80,203	-	80,203
Other comprehensive income:						
Exchange differences on translation	-	-	20	-	-	20
Actuarial losses on defined benefit pensions plan	-	-	-	(1,288)	-	(1,288)
Reverse acquisition reserve transfer	-	12,644	-	(12,644)	-	-
Total comprehensive income for the period	-	12,644	20	66,271	-	78,935
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 as at 31 March 2013	25,353	-	351	(79,197)	62,645	9,152

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Consolidated Statement of Cash Flows
for the six month period ended 31 March 2013

		Six months to 31 March 2013 £'000	31 March 2012 £'000	Year to 30 September 2012 £'000
	Note			
Cash flows from operating activities				
Cash (used) generated from operations	7	(1,489)	(3,399)	(2,842)
Interest paid		(283)	(1,621)	(3,316)
Income taxes received		1,104	-	-
Net cash outflows from operating activities		(668)	(5,020)	(6,158)
Cash flows from investing activities				
Finance income		7	10	70
Purchase of property, plant and equipment		-	(94)	(167)
Sale of property, plant and equipment		-	-	138
Cash deposited in respect of letters of credit		(525)	-	-
Net cash generated/(used) in investing activities		(518)	(84)	41
Cash flows from financing activities				
Issue of shares (net of costs)		-	8,041	8,041
Repayments of amounts borrowed		-	-	(379)
Finance lease additions		-	339	-
Finance lease repayments		-	(847)	(612)
Net cash generated in financing activities		-	7,533	7,050
Net change in cash and cash equivalents		(1,186)	2,429	933
Cash, cash equivalents and bank overdrafts at the beginning of the period		5,266	4,377	4,377
Exchange differences on translation		38	-	-
Cash disposed of with businesses		-	(11)	(44)
Cash, cash equivalents and bank overdrafts at the end of the period		4,118	6,795	5,266

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Notes to the Financial Statements
for the six month period 31 March 2013

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 2013 and are unchanged from those disclosed in the Annual Report and Consolidated Financial Statements for the year ended 30 September 2012.

The financial information for the six months ended 31 March 2013 and the six months ended 31 March 2012 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 2012 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. Profit from disposal of business

As first announced in September 2011 the Group has been restructured to concentrate on its business in the UAE.

This restructuring was completed in August 2012 and has seen the Group exit its historic UK vehicle leasing and maintenance contracts which were based on a flawed business and financial structure.

As a result, during the six month period ended 31 March 2012 the Group reported a £5,215,000 Profit from disposal of business and during the year to 30 September 2012 a £81,788,000 Profit from disposal of businesses. Further information can be found in the Group's 2012 Annual Report and Financial Statements.

4. Trade and Other Receivables

	31 March 2013	31 March 2012	30 September 2012
	£'000	£'000	£'000
Trade receivables	3,363	2,645	2,579
Other receivables	427	398	1,786
Prepayments and accrued income	1,817	2,474	1,473
	5,607	5,517	5,838

5. Trade and Other Payables

	31 March 2013 £'000	31 March 2012 £'000	30 September 2012 £'000
Trade and other payables	1,977	5,030	946

6 Short-term Liabilities

	31 March 2013 £'000	31 March 2012 £'000	30 September 2012 £'000
Other payables	2,428	2,887	1,004
Other taxation and social security	3	451	4
Accruals and deferred income	1,886	7,592	4,804
	4,317	10,930	5,812

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

	31 March 2013 £'000	31 March 2012 £'000	30 September 2012 £'000
Profit for the period	38	5,217	84,324
Depreciation and impairment	7	2,945	2,943
Amortisation and impairment	-	66	67
(Profit) / Loss on sale of property, plant and equipment	-	-	(138)
(Profit) / loss on disposal of businesses	-	(5,215)	(81,788)
Interest rate swaps	-	(577)	303
Other finance expense	-	-	17
Interest expense	283	1,621	3,316
Interest received	(7)	(10)	(70)
Other non-cash movements	-	-	181
(Increase) / decrease in inventories	(283)	13	(290)
(Increase) in debtors	(576)	(243)	(2,731)
(Decrease) in creditors	(951)	(5,619)	(7,913)
(Increase) in provisions	-	(1,597)	(724)
Contributions to the DB pension scheme in excess of service cost	-	-	(339)
Cash (used) from operations	(1,489)	(3,399)	(2,842)

8 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. 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 first half of the next 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 2016.

The Group has also provided an "Advanced Payment Guarantee" of approximately £8m 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 is expected to be released in full in the second half of this financial year.

9. Electronic Communications

The Company is not proposing to bulk print and distribute hard copies of this Half-year financial report for the six month period ended 31 March 2013 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: £38.78m