



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

Date: 14 June 2016

## **AssetCo plc**

("AssetCo" or the "Group" or the "Company")

## **Half-year Report**

**for the six months ended 31 March 2016**

### **Chairman's Statement**

#### **Introduction**

We are pleased to announce that our results for the first half of the year reflect a continuing improvement in profit and cash generation.

#### **Results**

The Consolidated Income Statement for the period ended 31 March 2016 shows an operating profit of £2.1m (2015: £1.8m) on revenue of £11.0m (2015: £10.4m) and a profit before tax of £1.9m (2015: £1.5m). The improvement in profitability has resulted from the increase in the number of fire service personnel being supplied to our Middle East Fire Service contracts.

#### **Cash Generation**

The Company generated £2.2m of free cash in the period and at 31 March 2016 we had total cash of £18.5m (£15.6m at 30 September 2015), comprising free cash balances of £15.5m (£12.8m at 30 September 2015) and restricted cash balances held in respect of Bonds amounting to £3.0m (£2.8m at 30 September 2015).

#### **Claim against Grant Thornton**

The Company continues to pursue a claim against its former auditors Grant Thornton, in respect of negligent audits for the years ended 30 September 2009 and 2010, for losses, interest and costs totalling approximately £42m.

#### **Outlook**

We continue to produce a performance in line with management expectations. We will keep shareholders updated of further progress on trading, future contracts and the claim against Grant Thornton during the course of the year.

Tudor Davies  
Chairman  
14 June 2016

## Consolidated Income Statement

for the six months ended 31 March 2016

	Six months ended		Year ended
	31 March 2016	31 March 2015	30 September 2015
	£'000	£'000	£'000
Note			
Revenue	11,003	10,418	21,660
Cost of sales	(7,922)	(7,985)	(15,564)
<b>Gross profit</b>	<b>3,081</b>	<b>2,433</b>	<b>6,096</b>
Administrative expenses	(968)	(672)	(1,647)
<b>Operating profit</b>	<b>2,113</b>	<b>1,761</b>	<b>4,449</b>
Finance income	7	10	23
Finance costs	(178)	(269)	(459)
<b>Profit before taxation</b>	<b>1,942</b>	<b>1,502</b>	<b>4,013</b>
Income tax expense	-	-	-
<b>Profit for the period</b>	<b>1,942</b>	<b>1,502</b>	<b>4,013</b>
<b>Earnings per share (EPS)</b>			
	3		
Basic - pence	15.90	12.30	32.86
Diluted - pence	15.90	12.30	32.86

## Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2016

	Six months ended		Year ended
	31 March 2016	31 March 2015	30 September 2015
	£'000	£'000	£'000
<b>Recognised profit for the period</b>	<b>1,942</b>	<b>1,502</b>	<b>4,013</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations	839	1,107	866
<b>Other comprehensive income, net of tax</b>	<b>839</b>	<b>1,107</b>	<b>866</b>
<b>Total comprehensive income for the period</b>	<b>2,781</b>	<b>2,609</b>	<b>4,879</b>

# Consolidated Statement of Financial Position

as at 31 March 2016

	Notes	At 31 March		At 30 September
		2016	2015	2015
		£'000	£'000	£'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		-	2	-
Cash held in respect of bonds	4	2,956	2,881	2,802
<b>Total non-current assets</b>		<b>2,956</b>	2,883	2,802
<b>Current assets</b>				
Inventories		90	-	-
Trade and other receivables	5	7,282	6,064	6,629
Cash and cash equivalents	4	15,494	10,503	12,836
Cash held as security against letters of credit	4	-	55	-
Cash held in respect of a bond	4	12	-	11
<b>Total current assets</b>		<b>22,878</b>	16,622	19,476
<b>Total assets</b>		<b>25,834</b>	19,505	22,278
<b>Shareholders' equity</b>				
Share capital		25,474	25,474	25,474
Share premium		64,941	64,941	64,941
Foreign currency translation reserve		1,729	1,131	890
Profit and loss account		( 69,768)	( 74,221)	( 71,710)
<b>Total equity</b>		<b>22,376</b>	17,325	19,595
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	6	3,458	2,180	2,683
<b>Total current liabilities</b>		<b>3,458</b>	2,180	2,683
<b>Total liabilities</b>		<b>3,458</b>	2,180	2,683
<b>Total equity and liabilities</b>		<b>25,834</b>	19,505	22,278

## Consolidated Statement of Changes in Equity

for the six months ended 31 March 2016

	Share capital £'000	Foreign currency translation reserve £'000	Profit and loss reserve £'000	Share premium £'000	Total equity £'000
<b>Balance at 30 September 2014</b>	<b>25,474</b>	<b>24</b>	<b>(75,723)</b>	<b>64,941</b>	<b>14,716</b>
Profit for the period	-	-	1,502	-	1,502
<b>Other comprehensive income:</b>					
Exchange differences on translation	-	1,107	-	-	1,107
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,107</b>	<b>1,502</b>	<b>-</b>	<b>2,609</b>
<b>Balance at 31 March 2015</b>	<b>25,474</b>	<b>1,131</b>	<b>(74,221)</b>	<b>64,941</b>	<b>17,325</b>
Profit for the period	-	-	2,511	-	2,511
<b>Other comprehensive income/(expense):</b>					
Exchange differences on translation	-	(241)	-	-	(241)
<b>Total comprehensive income/(expense) for the period</b>	<b>-</b>	<b>(241)</b>	<b>2,511</b>	<b>-</b>	<b>2,270</b>
<b>Balance at 30 September 2015</b>	<b>25,474</b>	<b>890</b>	<b>(71,710)</b>	<b>64,941</b>	<b>19,595</b>
Profit for the period	-	-	1,942	-	1,942
<b>Other comprehensive income:</b>					
Exchange differences on translation	-	839	-	-	839
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>839</b>	<b>1,942</b>	<b>-</b>	<b>2,781</b>
<b>Balance at 31 March 2016</b>	<b>25,474</b>	<b>1,729</b>	<b>(69,768)</b>	<b>64,941</b>	<b>22,376</b>

## Consolidated Statement of Cash Flows

for the six months ended 31 March 2016

	Six months ended		Year ended	
	31 March 2016	31 March 2015	30 September 2015	
Note	£'000	£'000	£'000	
<b>Cash flows from operating activities</b>				
Cash generated from operations	7	2,410	2,253	4,758
Cash deposited in respect of a performance bond		-	(223)	(223)
Cash repaid in respect of performance bond		-	2,814	2,814
Cash deposited in respect of a letter of credit		-	(55)	-
Finance costs		(178)	(269)	(459)
Income taxes received		-	-	-
Contributions to defined benefit pension schemes		-	-	-
<b>Net cash generated from operating activities</b>		<b>2,232</b>	<b>4,520</b>	<b>6,890</b>
<b>Cash flows from investing activities</b>				
Finance income		7	10	23
<b>Net cash generated from investing activities</b>		<b>7</b>	<b>10</b>	<b>23</b>
<b>Cash flows from financing activities</b>				
Issue of shares (net of costs)		-	-	-
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>		<b>2,239</b>	<b>4,530</b>	<b>6,913</b>
Cash and cash equivalents at the beginning of the period		12,836	5,787	5,787
Exchange differences on translation		419	186	136
<b>Cash and cash equivalents at the end of the period</b>		<b>15,494</b>	<b>10,503</b>	<b>12,836</b>

# Notes to the Financial Statements

for the six months ended 31 March 2016

## 1. Legal status and activities

AssetCo plc (the "Group" or 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-year 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 2016 and are unchanged from those disclosed in the Annual Report and Consolidated Financial Statements for the year ended 30 September 2015.

The financial information for the six months ended 31 March 2016 and the six months ended 31 March 2015 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 2015 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-year Report have been computed in accordance with IFRSs applicable to interim periods, this Half-year 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. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Six months ended 31 March		Year ended 30 September
	2016	2015	2015
	£'000	£'000	£'000
Profit for the year	<b>1,942</b>	1,502	4,013
Weighted average number of ordinary shares in issue	<b>12,211,163</b>	12,211,163	12,211,163
Basic earnings per share (EPS) - pence	<b>15.90</b>	12.30	32.86

There are no dilutive potential ordinary shares and, therefore, the calculation of diluted earnings per share is the same as for basic earnings per share.

### 4. Cash and cash equivalents

	31 March		30 September
	2016	2015	2015
	£'000	£'000	£'000
Cash at bank and in hand	<b>15,494</b>	10,503	12,836
Cash and cash equivalents	<b>15,494</b>	10,503	12,836
UK sterling	<b>4,839</b>	5,972	5,399
A E Dirhams	<b>10,655</b>	4,531	7,437
	<b>15,494</b>	10,503	12,836

In addition to the above A E Dirhams amounting to £2,968,000 (31 March 2015: £2,881,000 and 30 September 2015: £2,813,000) were held on deposit as security in respect of outstanding performance bonds - see note 8 Contingent liabilities for further information - and £nil (31 March 2015: £55,000 and 30 September 2015: £nil) were held on deposit as security against letters of credit.

## 5. Trade and other receivables

	31 March		30 September	
	2016	2015	2015	2015
	£'000	£'000	£'000	£'000
Trade receivables	5,782	5,166		5,649
Other receivables	196	78		103
Prepayments and accrued income	1,304	820		877
	<b>7,282</b>	<b>6,064</b>		<b>6,629</b>

## 6. Trade and other payables

	31 March		30 September	
	2016	2015	2015	2015
	£'000	£'000	£'000	£'000
Trade payables	312	263		229
Other payables	884	616		719
Other taxation and social security	3	4		3
Accruals and deferred income	2,259	1,297		1,732
	<b>3,458</b>	<b>2,180</b>		<b>2,683</b>

## 7. Reconciliation of profit before taxation to net cash generated from operations

	Six months ended		Year ended	
	31 March		30 September	
	2016	2015	2015	2015
	£'000	£'000	£'000	£'000
<b>Profit for the period before taxation</b>	<b>1,942</b>	1,502		4,013
Depreciation and impairment	-	11		12
Finance costs	178	269		459
Finance income	(7)	(10)		(23)
(Increase)/decrease in inventories	(85)	365		333
(Increase)/decrease in debtors	(283)	762		65
Increase/(decrease) in creditors	665	(646)		(101)
<b>Cash generated from operations</b>	<b>2,410</b>	<b>2,253</b>		<b>4,758</b>



## 8. Contingent liabilities

	Maximum potential liability		
	31 March	30 September	
	2016	2015	2015
	£'000	£'000	£'000
Performance bond of AED14,461,000 related to a UAE based contract, expected to be released in full in 2017, secured by a cash deposit of AED14,461,000	<b>2,739</b>	2,658	2,596
Performance bond of AED11,459,000 related to a UAE based contract, expected to reduce to AED5,730,000 in 2017 and to be released in full in 2020, secured by a cash deposit of AED1,146,000	<b>2,170</b>	2,106	2,057
Performance bond of AED636,000 related to a UAE based contract, expected to be released in full in 2017, secured by a cash deposit of AED64,000	<b>120</b>	117	114

The cash deposits referred to above are the same deposits as those referred to in note 4 Cash and cash equivalents.

## 9. Electronic communications

The Company is not proposing to bulk print and distribute hard copies of this Half-year Report for the six months ended 31 March 2016 unless specifically requested by individual shareholders; it can be downloaded from the Company's website at [www.assetco.com](http://www.assetco.com).

News updates, regulatory news, & financial statements can be viewed and downloaded from the Group's website, [www.assetco.com](http://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.