

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.



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

Wednesday, 27 June 2018

Immediate Release

AssetCo plc

(“AssetCo” or the “Company”)

2018 Half-year Report

for the six months ended 31 March 2018

Chairman’s statement

Introduction

We are pleased to report that our trading results for the six month period ended 31 March 2018 have been satisfactory and met with our expectations, whilst the litigation against our former auditors Grant Thornton is ongoing.

Trading Results

The outsourced Fire Services contractual business in Abu Dhabi, UAE for the provision of an outsourced fire service to the Abu Dhabi government (the “Client”) continues to be performed to the satisfaction of the Client. The contract is ongoing and remains on similar terms and conditions that have been set since November 2016, which involves a new contract being re-confirmed every five or six months in arrears.

The operating profit for the period under review amounted to £0.5m (HY2017; £1.7m), which reflects an adverse impact from exchange rate movements of £0.7m compared to HY2017 and a reduction in profitability of £0.5m, arising principally from a reduction in training and logistics revenues.

Our Statement of financial position at the period end shows a strong balance sheet with cash balances of £19.6m (2017; £20.7m).

Litigation

As previously reported, Grant Thornton were fined £3.5m by the Financial Reporting Council in connection with their respective audits of Assetco plc in 2009 and 2010. We are pursuing a claim against Grant Thornton, as a consequence of their professional negligence, which with interest amounts to approximately £40m; this case is in the process of being heard in the High Court with a decision expected later in this year.

Outlook

Trading continues to be satisfactory and we will continue to keep shareholders informed on the progress of our Middle East business and the progress and developments in relation to the action against Grant Thornton.

Tudor Davies
Chairman
27 June 2018

AssetCo plc
Income statement
for the six months ended 31 March 2018

| | Note | Six months ended | | Year ended |
|----------------------------------|------|---------------------------|---------------------------|-------------------------------|
| | | 31 March 2018 £'000 | 31 March 2017 £'000 | 30 September 2017 £'000 |
| Revenue | | 11,151 | 13,274 | 24,881 |
| Cost of sales | | (8,215) | (9,333) | (17,738) |
| Gross profit | | 2,936 | 3,941 | 7,143 |
| Administrative expenses | | (2,440) | (2,192) | (4,891) |
| Operating profit | | 496 | 1,749 | 2,252 |
| Finance income | | 3 | 4 | 8 |
| Finance costs | | (35) | (68) | (87) |
| Profit before taxation | | 464 | 1,685 | 2,173 |
| Income tax expense | | - | - | - |
| Profit for the period | | 464 | 1,685 | 2,173 |
| Earnings per share (EPS): | 3 | | | |
| Basic – pence | | 3.80 | 13.80 | 17.80 |
| Diluted – pence | | 3.80 | 13.80 | 17.80 |

AssetCo plc
Statement of comprehensive income
for the six months ended 31 March 2018

| | Six months ended | | Year ended |
|--|---------------------------|---------------------------|-------------------------------|
| | 31 March 2018 £'000 | 31 March 2017 £'000 | 30 September 2017 £'000 |
| Recognised profit for the period | 464 | 1,685 | 2,173 |
| Other comprehensive (expense) / income: | | | |
| Exchange differences on translating foreign operations | (767) | 658 | (438) |
| Other comprehensive (expense) / income net of tax | (767) | 658 | (438) |
| Total comprehensive (expense) / income for the period | (303) | 2,343 | 1,735 |

AssetCo plc
Statement of financial position
as at 31 March 2018

| | Note | At 31 March | | At 30 |
|-------------------------------------|------|---------------|----------|-----------|
| | | 2018 | 2017 | September |
| | | £'000 | £'000 | 2017 |
| | | | | £'000 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | - | - | - |
| Cash held in respect of a bond | | - | 251 | 233 |
| Total non-current assets | | - | 251 | 233 |
| Current assets | | | | |
| Inventories | | - | - | - |
| Trade and other receivables | 4 | 12,438 | 12,187 | 10,685 |
| Cash and cash equivalents | 5 | 19,554 | 20,708 | 21,530 |
| Cash held in respect of bonds | | 320 | 13 | 102 |
| Total current assets | | 32,312 | 32,908 | 32,317 |
| Total assets | | 32,312 | 33,159 | 32,550 |
| Shareholders' equity | | | | |
| Share capital | | 25,474 | 25,474 | 25,474 |
| Share premium | | 64,941 | 64,941 | 64,941 |
| Profit and loss account | | (62,927) | (62,016) | (62,624) |
| Total equity | | 27,488 | 28,399 | 27,791 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | 6 | 4,824 | 4,760 | 4,759 |
| Total current liabilities | | 4,824 | 4,760 | 4,759 |
| Total liabilities | | 4,824 | 4,760 | 4,759 |
| Total equity and liabilities | | 32,312 | 33,159 | 32,550 |

AssetCo plc
Statement of changes in equity
for the six months ended 31 March 2018

| | Share Capital £'000 | Share premium £'000 | Profit and loss reserve £'000 | Total equity £'000 |
|--|---------------------------|---------------------------|-------------------------------------|--------------------------|
| Balance at 30 September 2016 | 25,474 | 64,941 | (64,359) | 26,056 |
| Profit for the period | - | - | 1,685 | 1,685 |
| Other comprehensive income: | | | | |
| Exchange differences on translation | - | - | 658 | 658 |
| Total comprehensive income for the period | - | - | 2,343 | 2,343 |
| Balance at 31 March 2017 | 25,474 | 64,941 | (62,016) | 28,399 |
| Profit for the period | - | - | 488 | 488 |
| Other comprehensive expense: | | | | |
| Exchange differences on translation | - | - | (1,096) | (1,096) |
| Total comprehensive income for the period | - | - | (608) | (608) |
| Balance at 30 September 2017 | 25,474 | 64,941 | (62,624) | 27,791 |
| Profit for the period | - | - | 464 | 464 |
| Other comprehensive income: | | | | |
| Exchange differences on translation | - | - | (767) | (767) |
| Total comprehensive income for the period | - | - | (303) | (303) |
| Balance as at 31 March 2018 | 25,474 | 64,941 | (62,927) | 27,488 |

AssetCo plc**Statement of cash flows**

for the six months ended 31 March 2018

| | | Six months ended | Year ended |
|--|---|------------------|--------------|
| | | 31 March | 30 September |
| | | 2018 | 2017 |
| Note | | £'000 | £'000 |
| Cash flows from operating activities | | | |
| | | | |
| | 7 | (1,602) | 3,094 |
| | | | |
| | | (97) | (104) |
| | | | |
| | | 102 | 3,246 |
| | | | |
| | | (35) | (87) |
| | | | |
| | | (1,632) | 6,149 |
| Cash flows from investing activities | | | |
| | | | |
| | | 3 | 8 |
| | | | |
| | | 3 | 8 |
| Net change in cash and cash equivalents | | | |
| | | | |
| | | (1,629) | 6,157 |
| | | | |
| | | 21,530 | 15,470 |
| | | | |
| | | (347) | (97) |
| | | | |
| | | 19,554 | 21,530 |

AssetCo plc
Notes to the Financial Statements
for the six months ended 31 March 2018

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 the United Arab Emirates ("UAE") and its strategy is to develop this business. As at period end, the Company had no subsidiaries.

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 Company operates from one site in UAE.

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

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 2018 and are unchanged from those disclosed in the Annual Report and Financial Statements for the year ended 30 September 2017.

The financial information for the six months ended 31 March 2018 and the six months ended 31 March 2017 is unaudited and does not constitute the Company's statutory financial statements for those periods. The comparative financial information for the full year ended 30 September 2017 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 2018 | 31 March 2017 | Year ended 30 September 2017 |
|---|--|------------------|------------------------------------|
| | £'000 | £'000 | |
| Profit for the year | 464 | 1,685 | 2,173 |
| Weighted average number of ordinary shares in issue | 12,211,163 | 12,211,163 | 12,211,163 |
| Basic earnings per share (EPS) - pence | 3.80 | 13.80 | 17.80 |

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. Trade and other receivables

| | 31 March 2018 £'000 | 31 March 2017 £'000 | 30 September 2017 £'000 |
|--------------------------------|---------------------------|---------------------------|-------------------------------|
| Trade receivables | 103 | 10,906 | - |
| Other receivables | 325 | 221 | 190 |
| Prepayments and accrued income | 12,010 | 1,060 | 10,495 |
| | 12,438 | 12,187 | 10,685 |

5. Cash and cash equivalents

| | 31 March 2018 £'000 | 31 March 2017 £'000 | 30 September 2017 £'000 |
|---------------------------|---------------------------|---------------------------|-------------------------------|
| Cash at bank and in hand | 19,554 | 20,708 | 21,530 |
| Cash and cash equivalents | 19,554 | 20,708 | 21,530 |
| UK sterling | 4,534 | 8,343 | 6,598 |
| UAE Dirhams | 15,020 | 12,365 | 14,932 |
| | 19,554 | 20,708 | 21,530 |

In addition to the above UAE Dirhams amounting to £320,000 (31 March 2017: £264,000 and 30 September 2017: £335,000) were held on deposit as security in respect of outstanding performance bonds - see note 8 Contingent liabilities.

6. Trade and other payables

| | 31 March 2017 £'000 | 31 March 2017 £'000 | 30 September 2017 £'000 |
|------------------------------------|---------------------------|---------------------------|-------------------------------|
| Trade payables | 690 | 1,077 | 878 |
| Other payables | 1,439 | 1,196 | 1,183 |
| Other taxation and social security | 2 | 3 | 3 |
| Accruals and deferred income | 2,693 | 2,484 | 2,695 |
| | 4,824 | 4,760 | 4,759 |

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

| | Six months ended 31 March 2018 £'000 | 2017 £'000 | Year ended 30 September 2017 £'000 |
|---|---|---------------|---|
| Profit for the period before taxation | 464 | 1,685 | 2,173 |
| Finance costs | 35 | 68 | 87 |
| Finance income | (3) | (4) | (8) |
| (Increase) / decrease in receivables | (2,327) | 855 | 1,191 |
| Increase / (decrease) in payables | 229 | (793) | (349) |
| Cash (used by) / generated from operations | (1,602) | 1,811 | 3,094 |

8. Contingent liabilities

| | Approximate maximum potential liability | | |
|--|---|-------|----------------------|
| | 31 March 2018 | 2017 | 30 September 2017 |
| Performance bond related to a UAE based contract, expected to reduce to approximately £1.1m in 2018 and to be released in full in 2020 | 2,225 | 2,500 | 2,400 |
| Performance bond related to a UAE based contract, released in full in 2017 | - | 140 | - |
| Performance bond related to a UAE based contract, released in full in December 2017 | - | - | 105 |
| Performance bond related to a UAE based contract, expected to be released in full during 2018 | 100 | - | - |

9. Electronic communications

The Company is not proposing to bulk print and distribute hard copies of this Half-year Report 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 Company'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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