Annual Report and Financial Statements

Year ended 31 March 2008

AssetCo®

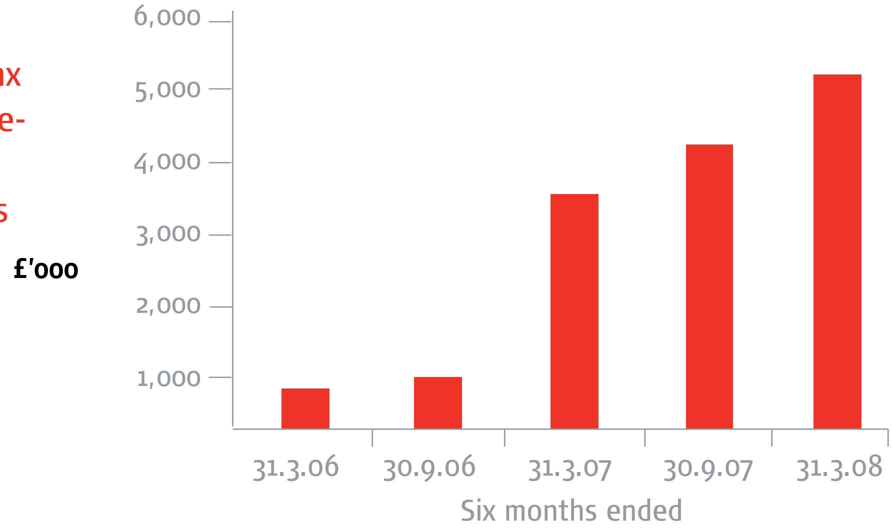

Home is the most
important place
in the world
LFB
LONDON FIRE BRIGADE

Company Information

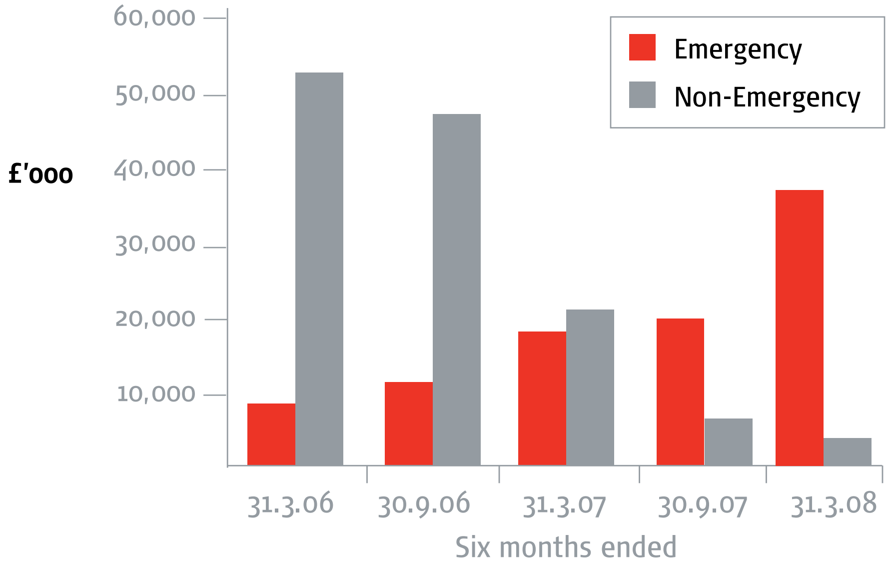
Company Registration No.	4966347
Registered Office	800 Field End Road, South Ruislip, Middlesex, HA4 0QH
Directors	Tim Wightman (Chairman) John Shannon, Frank Flynn, Adrian Bradshaw, David Chisnall OBE (retired 31 January 2008)
Joint Secretaries	Michael Lavender, Kaye Morton (appointed 26 February 2008)
Bankers	**Bank of Scotland (Ireland) Ltd** Donegall Square North Belfast, BT1 5GB **HBoS plc** The Mound Edinburgh, EH1 1YZ
Solicitors	**Nabarro,** Lacon House, 84 Theobald's Road, London, WC1X 8RW
Auditor	**Grant Thornton UK LLP**, Churchill House Chalvey Road East, Slough, Berkshire, SL1 2LS
Nominated Adviser, Financial Adviser and Joint Corporate Broker	**Hoare Govett Limited,** 250 Bishopsgate, London, EC2N 4AA
Joint Corporate Broker	**Kaupthing Singer & Friedland Capital Markets Limited** One Hanover Street, London, W1S 1AX
Financial Public Relations	**Buchannan Communications,** 45 Moorfields, London, EC2Y 9AE
Registrar	**Computershare Investor Services plc,** PO Box 1075, The Pavilions, Bridgewater Road, Bristol, BS99 3FA
Website	**www.assetco.com**

Financial Highlights (Unaudited)

1. Profit before Tax and Share-Based Payments



2. Revenue – Emergency and Non-Emergency

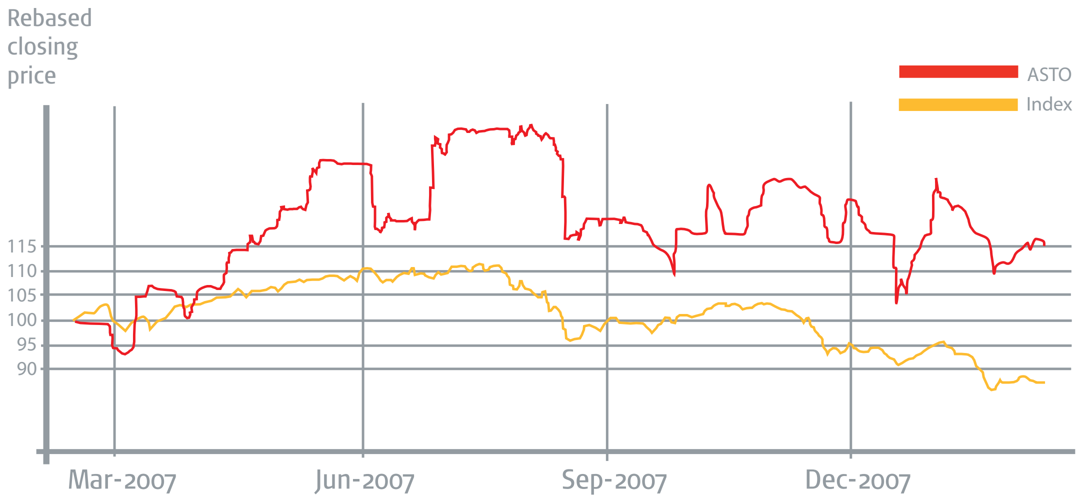


Further details on the segmental performance of the Group can be found in Note 5 to the audited consolidated financial statements.

Financial Highlights (Unaudited)

3. Share Price Performance

The following graph shows the Company's performance, measured by the price of its shares traded on the London Stock Exchange, compared with the performance of the FTSE AIM All Share Index, since March 2007.



Contents

Chairman's Statement

This is my second Chairman's statement of AssetCo plc and I am delighted with the strong operational performance during the year which has seen profit before tax growth of over 80%.

The principal focus for the year has been to increase profitability through growth of existing contracts and by broadening our capabilities via niche growth orientated acquisitions. The current financial year culminated with a series of these acquisitions and I would like to take this opportunity to welcome all members of staff of the acquired businesses to the enlarged Group.

International Financial Reporting Standards

This is our first full set of financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The takeover on 30 March 2007 has been accounted for as a reverse takeover with AssetCo Group Limited being deemed to have acquired Asfare Group plc. This accounting treatment differs to that adopted in our previous financial statements, which were prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and has resulted in comparative information for the year ended 31 March 2007 being restated.

A more detailed explanation of our transition to IFRSs can be found in Note 39 to the financial statements.

Results

I am pleased to report that profit from continuing and discontinued operations before tax and share-based payments has almost doubled to £10.3 million (2007: £5.4 million).

Basic earnings per share, from continuing and discontinued operations, have increased to 11.8 pence (2007: 6.7 pence).

Dividend

In recognition of the 80% growth in profitability, it is the Board's intention to declare a dividend of one pence per share.

Disposals

Turnover has fallen as we continue to exit our non-core high volume but low margin fleet management contracts. In February 2008, we disposed of a small niche part of our Northern Ireland spot hire business generating a profit on disposal of £1m.

A further disposal of the Northern Ireland Electricity contract hire and fleet management business occurred in April 2008.

Organisation

Emergency Support Services Team

Our Emergency Support Services Team continues to provide support services to the London Fire and Emergency Planning Authority and Lincolnshire Fire and Rescue Service, under our two twenty-year core contracts.

In order to enhance our product offering to new and existing clients, we have acquired Auto Electrical Services (Manchester) Limited which designs, builds and installs integrated electrical and communications systems for vehicles operated by the emergency services. The company has recently developed the M-Flow telemetry product, which enables the capture of real time data from vehicles and the transmission of that information to the relevant users.

We have also made a strategic investment in Miquest Limited, a company that provides integrated software solutions to assist with the management of assets, principally in the emergency services market.

The New Dimensions contract, to provide a total managed solution for specialist vehicles and equipment in case of terrorist attack, is expected to be awarded by summer 2008. Informal collaboration between the Fire and Rescue Authorities ("FRAs") continues and we are confident that further long-term contracts will come to market during the forthcoming year.

Vehicle and Emergency Equipment Services Team

In December 2007, we acquired two vehicle assembly companies and they will form part of our Vehicle and Emergency Equipment Services team. Our vehicles business is now the largest provider of both fire appliances and ambulances to the UK market.

The vehicles and equipment businesses are now primarily located at Papworth in Cambridgeshire where we are endeavouring to create a unique centre of excellence for the supply of vehicles and equipment to the fire market. This state of the art facility now houses on one site a number of key manufacturing and assembly businesses and also a large engineering, design and research and development department seeking to create the most advanced solutions for the future needs of the fire and emergency services.

Emergency Resource Team

During the year we established a new Emergency Resource team. Human resource related expenditure accounts for over 80% of the annual budgets of FRAs. The Emergency Resource team will be exploring recruitment, training and staffing opportunities both domestically and overseas.

The tender for the Fireguard contract, to provide an outsourced business continuity solution for emergency fire crew, was submitted in May 2008 and is anticipated to be awarded by the end of summer 2008.

Board Change

I would like to take this opportunity to thank David Chisnall OBE for his contribution to AssetCo, as a non-executive director, and previously the Asfare Group. David is a well-known figure in the fire industry and is currently chairman of FIRESA, the trade body representing the major equipment suppliers to the FRAs. David's work in the fire industry was recognised with the award of an OBE in 2006 in the Queen's Birthday Honours. David announced his retirement from the Board on 31 January 2008.

Current Trading

Trading in the first two months of the new financial year is in line with the Board's expectations with the emphasis on securing new long term contracts both in the UK and in the Middle East, integrating the acquired businesses, identifying synergies, leveraging off the enhanced buying power of the enlarged Group as well as the ongoing implementation of our continuous improvement programmes.

Outlook

AssetCo has developed a reputation for operational excellence, long-term capability and sustainable managed service solutions. With the creation of our Emergency Resources team we have sought to establish a leading presence in a sector of the emergency services market where the majority of expenditure takes place. I am confident that our strategy of creating a more stable and secure supply chain for our core market will bring benefits to both our customers and shareholders alike.

I look forward to another successful year.

Tim Wightman, 27 May 2008

Report of the Chief Executive Officer

As we continue to shape and equip our business to be the "best in class" support services provider to the UK Fire and Rescue Services ("FRS"), I am satisfied with our progress to date which has seen operating profit grow by over 130%.

Our strong performance is directly attributable to our strategy of broadening our capabilities via highly specialist acquisitions in growth areas of the emergency services market, and the expansion of our contracts with existing clients. The second part of the financial year culminated with a series of successful acquisitions related to this goal as well as the establishment of our Emergency Resource operation.

Results

I can report that profit before tax and share-based payments has almost doubled to £10.3m (2007: £5.4m).

Earnings per share have increased to 11.8p (2007: 6.7p).

In line with our stated strategy, we continue to exit non-core legacy fleet management activities. As at 31 March 2008, non emergency related revenue represented less than 9% of Group activity (2007: 53%).

Strategy

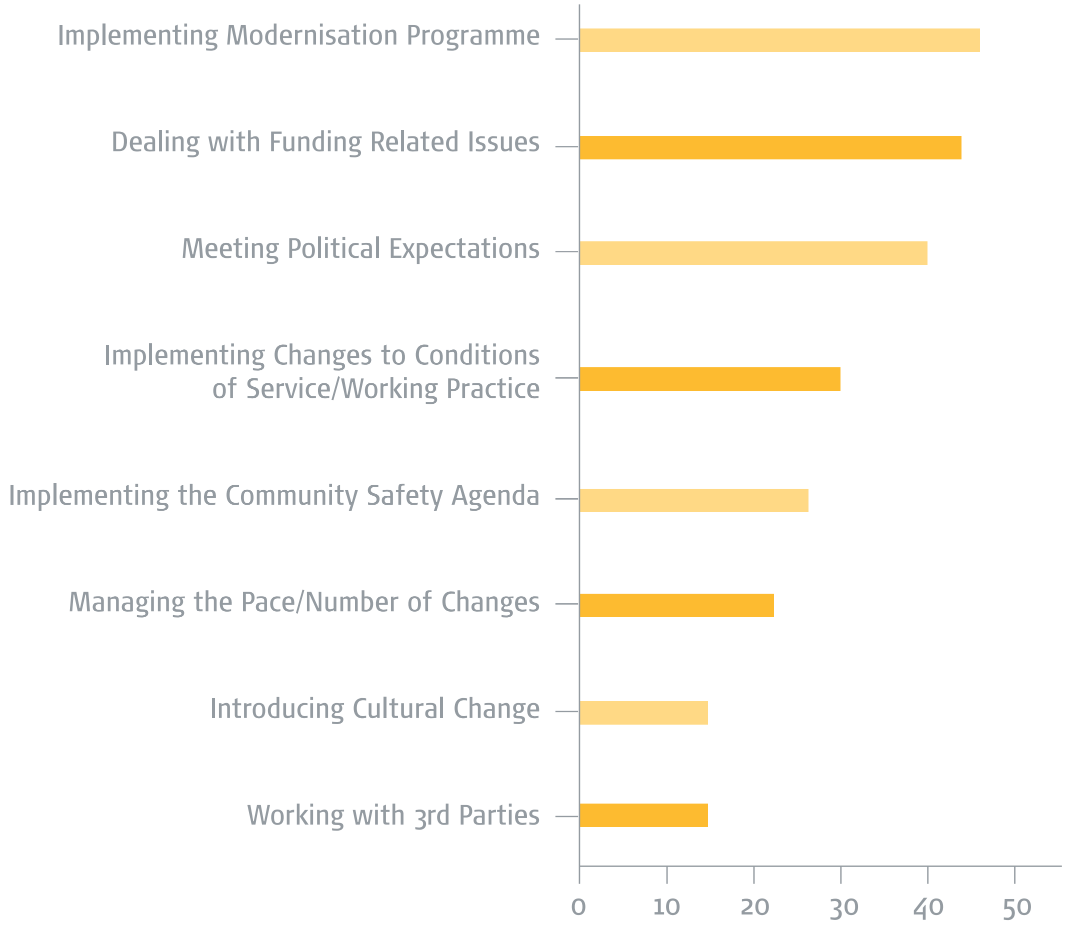
The emergency services market continues to move towards outsourcing and managed services as the economic and operational solution to tackle costly and complex change issues in a hardening "best value" environment.

During the year we conducted two independent surveys on the progress of the UK Fire and Rescue Service in response to the Government's change agenda. The results of the surveys were launched to an invited audience of Chief Fire Officers ("CFOs"), Local Government officials and to representatives of central government's Communities and Local Government department with responsibility for UK FRS. The findings were published publicly in March as "The AssetCo Fire and Rescue Report 2008: and they put out fires too".

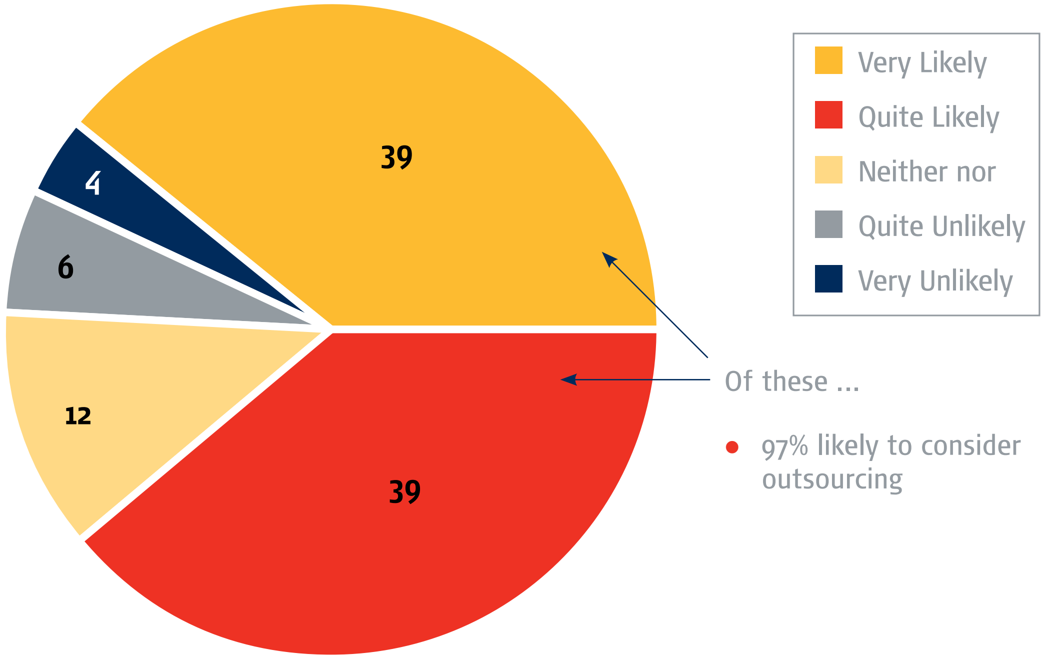
The first research of its type ever conducted, the surveys achieved a high level of participation with over 80% of

the UK's CFOs interviewed. The findings indicate quite clearly that, despite having made great progress to date, FRS senior management is uniformly concerned about its ability to maintain and progress the mix and scale of operational changes needed in the current funding environment and that there is now more than ever before, a heightened interest in exploring alternative funding and capacity models with the private sector.

The Challenges and Priorities of Chief Fire Officers Top 8 Responses



Likelihood of having to use alternative sources of Capital in next 5 years



I am confident that we are in a growth market and the evolution of our business, its areas of specialist focus, and the robust spread of our expertise are optimally aligned to capitalise on the opportunities ahead.

Organisation

With the growth of our business and expansion of our supply chain, we have introduced a number of operational and Group corporate level changes during the year to ensure we maintain the correct alignment of teams, processes and resources appropriate to our market. One of the most visible was the introduction of a new corporate identity to better reflect and communicate our service offerings and the collaborative relationships of all subsidiary businesses within the AssetCo plc organisation to our clients, targets and key stakeholders. The new design seeks to clearly position our three core business areas of emergency support services, emergency resources and vehicle and emergency equipment services to the core markets they serve.

AssetCo
Emergency Support Services

Emergency Support Services Team

Our Emergency Support Services team has been involved in the 12 month competitive dialogue process and final bidding for the Government's 16 year New Dimensions contract, to provide a resilient total managed solution for specialist vehicles and equipment in case of terrorist attack. The contract is expected to be awarded by summer 2008. Our participation as one of the very few suppliers able to tender for this highly sensitive contract further signifies the respect our Emergency Support Services team has achieved in such a specialist field as a direct result of our performance delivery for the London Fire Brigade ("LFB") and Lincolnshire Fire and Rescue Service ("LFRS") – a unique credential in the UK fire market.

At the same time, we have progressed individual discussions with local and regional FRS groups and are confident that further long-term contracts will come to market during the forthcoming year.

During the year, we supplied LFB with 102 new fire appliances, the largest ever UK FRS fleet replacement programme undertaken. We also completed the refurbishment of 23 ex-LFB fire appliances and the assembly of 33 new fire appliances for LFRS. As a result, LFB and LFRS have the most modern operational vehicles and equipment available and now represent benchmark fleets in the UK FRS arena.

The team continues to provide an ever expanding range of support services to LFB and to LFRS under our two twenty-year core contracts.

AssetCo
Vehicle and Emergency Equipment Services

Vehicle and Emergency Equipment Services Team

Our Vehicle and Emergency Equipment Services operation has evolved through acquisition and growth to provide the emergency services with a comprehensive range of product supply and support services. Our approach has brought together a number of leading manufacturers and distributors to establish an integrated and robust product supply chain which supplies into all of the UK's Fire and Rescue Authorities; items range from consumables through to the most sophisticated fully stowed pumping appliances available today.

Primarily located at Papworth, where we are aiming to create a centre of excellence for the supply of vehicles and equipment to the fire market, our vehicles business is now the largest provider of both fire appliances and ambulances in the UK. This centralised state of the art facility at Papworth is home to a number of key manufacturing and assembly businesses that supply the fire market and it also houses a large engineering, design and research and development function to provide the most advanced solutions for the future needs of the fire and wider emergency services.

Much effort has been made during this financial year to integrate the various subsidiary vehicle and equipment businesses to optimise their capability and capacity to serve the emergency markets. We are delighted to see early evidence of the value of this approach resulting in the award of FRS framework agreement status to supply in the highly specialised areas of "Fluid Movement", "Road Traffic Collision Equipment", "Working at Height", "Generation Equipment" and "Positive Pressure Ventilation" for our AS Fire and Rescue Equipment, Collins Youldon, and FSE subsidiary businesses respectively.

In addition, the strength of our reputation in these areas is increasingly attracting overseas interest and the strength and robustness of our supply chain has recently secured us orders of around £1m from South East Asia with news of larger orders in the pipeline.

AssetCo®
Emergency Resource Services

Emergency Resource Team

During the year we established a new Emergency Resource operation. Human resource related expenditure accounts for over 80% of the annual budgets of FRAs. Our Emergency Resource team will be exploring recruitment, training and staffing issues both domestically and overseas, such as the Middle East where we have already received significant interest.

In March we completed the acquisition of RIG Systems, a specialist technical safety and rescue training consultancy to the UK FRS and other emergency agencies. RIG has become the UK market leader in the development of integrated water, height and confined space rescue risk control systems. As the incumbent Water Rescue trainer to the London Fire Brigade, this transaction has allowed us to develop new services for our key client, whilst recent flooding events have provided greatly accelerated growth opportunities.

The tender for the UK FRS Fireguard contract, to provide an outsourced business continuity solution for the provision of emergency fire crew, was submitted in May and is anticipated to be awarded by the end of summer 2008.

Risks and Uncertainties

We continue to monitor the risks and uncertainties facing the Group. Although it is not possible to remove all risks, all reasonable steps are taken to ensure that any adverse consequences associated with these risks are mitigated and minimised.

We continue to develop a detailed risk register which identifies key strategic, financial and operating risks affecting, or potentially affecting, the Group and provides risk management plans against each.

Current Trading

Trading in the first two months of the new financial year is in line with the Board's expectations and reflects our emphasis on the on-going delivery of our continuous improvement programmes, securing new long term contracts both in the UK and in the Middle East, integrating the newly acquired businesses, identifying

commercial synergies and leveraging the enhanced buying power of the enlarged Group.

Outlook

We have had a very industrious and successful year and have met our own exacting operational and financial targets. We have captured a wealth of additional talent and innovative ventures during the year in which I believe reside the skills to harness even greater opportunities in the future. This year we have made great investment in long term business development and in creating robust organisational and operational structures.

We are now in a growth market in both the UK and overseas and I believe we are superbly placed to capitalise on new opportunities with new clients and in new markets.

John Shannon


AssetCo
Vehicle and Emergency Equipment Services
Goods Inwards
Visitors

Report of the Chief Financial Officer

This is my second report as Chief Financial Officer of AssetCo plc and I am pleased to report an excellent set of results for the year ended 31 March 2008.

International Financial Reporting Standards

As noted by our Chairman in his report, this is the first full set of financial statements that have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and international accounting standards ("IFRSs").

As part of the transition we have had to re-state our comparative results for the year ended 31 March 2007 and have re-visited our balance sheet at 1 April 2006, the date of transition to IFRSs. Unlike United Kingdom standards, international accounting standards contain more detailed guidance on the treatment of reverse acquisitions. Specific criteria in IFRS 3, "Business Combinations", have been met which requires the AssetCo-Asfare transaction on 30 March 2007 to be treated as a reverse acquisition.

The adoption of reverse acquisition accounting has changed our net assets position at 31 March 2007 from £103.9 million, as reported under United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), to £26.4 million under IFRSs. However, the only significant change has been to reduce goodwill by £76.2 million, with a corresponding adjustment to reserves, as AssetCo Group Limited was deemed to have acquired Asfare Group plc for consideration of £8.2 million, rather than the latter acquiring AssetCo Group Limited for consideration of £92.5 million as previously reported under UK GAAP.

The directors consider this change of treatment to be an accounting technicality which, although confusing, does not affect the financial standing or underlying performance of the Group. These changes are more fully explained in Note 39 to the financial statements.

During the current financial year, our net assets have increased by 71% to £45.3 million as a result of impressive profit growth and following the successful implementation of our acquisition strategy which is outlined later in my report.

Review of Business

Key Performance Indicators

The Board continues to monitor the performance of the Group against certain Key Performance Indicators ("KPIs"), both financial and non-financial. These include profit before tax and share-based payments, EBITDA, earnings per share, net debt and staff turnover.

The following table summarises these measures for 2007 and 2008.

	2008	2007	Variance	Variance %
Profit before tax	**9.4m**	4.3m	5.1m	119
Profit-discontinued operations	**0.5m**	1.1m		
Share-based payments	**0.4m**	-		
Profit before tax and share-based payments	**10.3m**	5.4m	4.9m	91
EBITDA	**23.1m**	18.6m	4.5m	24
Basic earnings per share	**11.8p**	6.7p	5.1p	76
Net debt	**83.9m**	53.3m	30.6m	57
Staff turnover	**9.1%**	9.8%	(0.7)%	(7)

Profit before Tax

Profit before tax and share-based payments of £10.3m, has increased by 91% from £5.4m.

Underlying Profit

The underlying profit before tax for the year was £10.9m after taking into account the following two substantial non recurring items and share based payments:

	2008 £'000
Profit before tax	**9,441**
Profit from discontinued operations	**456**
Share-based payments	**440**
Profit on disposal of Star Rentals	**(1,000)**
Restructuring and redundancy costs	**1,549**
Underlying profit	**10,886**

The improvement in profit reflects the growth of our existing core contracts, the development of new product lines and the ongoing implementation of our continuous improvement programmes across the Group.

The directors have made a provision in the financial statements of £1.5 million which covers redundancy costs, early lease termination penalties and other costs associated with the reorganisation. The provision also covers redundancy payments associated with our decision to close our site in Hampshire and relocate the manufacture of specialist ladders to Papworth.

EBITDA

EBITDA, before share-based payments, has increased from £18.6 million for the year ended 31 March 2007 to £23.1 million in 2008.

Earnings per share (continuing and discontinued operations)

Basic earnings per share increased by 76% from 6.7 pence in 2007 to 11.8 pence in 2008. On a fully diluted basis the increase was 80% from 6.4 pence in 2007 to 11.5 pence in the current year.

Net Debt

An analysis of net debt is provided in the following table.

	2008 £ million	2007 £ million	Variance £ million	Variance %
Asset Finance - Emergency	**55.3**	24.2	31.1	129
Acquisition Loan	**18.9**	21.0	(2.1)	(10)
Asset Finance – Non-Emergency	**2.8**	9.4	(6.6)	(70)
Other loans	**6.7**	0.8	5.9	738
Short-Term Loans and Overdrafts	**13.1**	8.1	5.0	62
Less: Cash and Cash Equivalents	**(12.9)**	(10.2)	(2.7)	(26)
Net Debt	**83.9**	53.3	30.6	57

Net debt, defined as cash and cash equivalents less borrowings, has increased during the year from £53.3 million to £83.9 million, as a result of the completion of our build programmes for both the London Fire and Emergency Planning Authority ("LFEPA") and Lincolnshire Fire and Rescue Service ("LFRS").

Since the start of the programme in 2006, we have supplied LFEPA with 102 new fire appliances, over 40 other specialist vehicles and numerous pieces of sophisticated technical operational equipment. The majority of this investment of £34 million was incurred during the year and has been financed through borrowings designed to match the long-term life of these assets.

During 2008, we also completed the refurbishment of 23 fire appliances and the assembly of 33 new fire appliances for LFRS at a cost of £8 million. This investment has also been financed over the life of the assets and has increased our net debt position at 31 March 2008.

As a result of our build programmes, both LFEPA and LFRS have the most modern operational equipment available.

As part of our ongoing efforts to minimise the impact of changes in interest rates, we have recently concluded discussions with our principal lenders which will result in approximately 80% of our debt carrying interest at a fixed rate.

Staff Turnover

In a support services business like AssetCo, it is the attitude, skill and motivation of our staff which differentiates us from our competitors. The directors consider staff retention to be a reasonable measure of our employees' attitude towards the Group. We measure staff turnover as the number of employees who left the Group, other than through redundancy, during the period as a proportion of total average employees.

Staff turnover fell from 9.8% in 2007 to 9.1% in 2008.

SAYE Scheme

As part of our commitment to our staff, we have implemented a Save As You Earn ("SAYE") Scheme which is open to all employees throughout the Group. Savings commenced in April 2008 and the directors continue to actively encourage all employees to join the Scheme.

Pension Scheme

I am pleased to report that the surplus on the AssetCo Pension Scheme has increased by over 500% from £329,000 to £2.048 million. We will reflect this surplus over the remaining working lives of the members of the scheme and this has resulted in a credit to our income statement of £100,000 (2007: £101,000) during the year.

Acquisitions (see note 32)

During the latter part of the year, much of our attention was focused on completing the acquisitions of a number of key suppliers in the emergency services market. I am pleased to report that during the year under review, we completed six acquisitions and made one strategic investment.

Details of the most significant acquisitions are given in the table below.

Acquisitions	AES £m	UVM £m	TVAC £m	RIG £m
Month of Acquisition	Nov	Dec	Dec	Mar
Consideration	2.2	0.7	2.1	1.1
Potential Deferred Consideration	1.8	0.8	6.9	0.9
Profit/(loss) – Last Accounts	(0.1)	(1.5)	0.6	0.1
Profit/(loss) – to 31 March 2008	0.5	0.2	0.5	-
Net Assets/(liabilities) on Acquisition	0.5	(2.5)	0.1	0.4
Net Assets/(liabilities) at 31 March 2008	1.0	(2.3)	0.6	0.4

a) Miquest Limited

In November 2007, we also acquired a 25% shareholding in Miquest Limited for £414,000 (see Note 29).

Miquest provides asset management solutions to the Fire and Rescue Services, and the products developed by Miquest will complement those of MFlow.

b) Others

The acquisitions referred to above will complement the purchases of Simentra Limited (April 2007) and Blue Amber Red Limited (June 2007) which were outlined in my report last year.

Share Placing

On 7 February 2008, in order to assist with the financing of the companies that we acquired during the year and to preserve our cash balances, a sum of £6.3 million was raised, before commission and expenses, through the placing of 5% of our issued share capital to existing and new institutional investors. I am delighted to report that the placing was nearly 100% over-subscribed.

Disposals

As part of our strategy to focus exclusively on the emergency services market we continue to dispose of our non-core activities. Historically, the Group was involved in fleet management for a number of large utility companies and local authorities. Although significant turnover was generated by these contracts, they were low margin in nature and are not considered to be part of our core business. In March 2008 and April 2008, we disposed of two business units as outlined in the Chairman's Statement.

Share Price

Our share price, which year-on-year remained virtually unchanged, has out-performed the FTSE-AIM All Share Index (16% fall) during the year but has fallen back from its peak in August 2007 on the back of very thin trading volumes.

Our move to a new Stock Exchange trading platform in December 2007 has also increased the volatility of our share price. We are proactively working with our brokers in order to manage this and ensure that small numbers of shares that become available are placed with investors where we believe, as demonstrated by the results of our share placing, that there is significant demand for larger volumes.

The market capitalisation of the Group is approximately £140 million.

Outlook

Our principal challenge for the year ahead is to integrate the acquired companies into the AssetCo Group and to generate economies of scale with our existing businesses and to continue to deliver our ongoing continuous improvement programme. Our focus remains on generating new business with our existing key clients through our long-term contracts. If we achieve these goals, and I am confident that we will, then FY09 should deliver enhanced returns for our shareholders.

Frank Flynn

Report of the Directors

The directors present their annual report and the audited financial statements of the Company, and its subsidiary undertakings included in the consolidation (together "the Group"), for the year ended 31 March 2008.

Principal Activities

The principal activity of the Group is the provision of management services to the emergency services market. Other Group companies are engaged in automotive engineering, the provision of asset management services and the supply of specialist equipment to the emergency services market.

There have been no significant changes to the principal activities of the Group companies during the year.

The subsidiaries, associated undertakings and joint ventures affecting the profits or net assets of the Group during the year are listed in Notes 29 and 30 to the financial statements.

Review of Business and Future Developments

Further information relating to the performance of the business, and an indication of likely future developments, is given in the Chairman's Statement and the reports of the Chief Executive Officer and Chief Financial Officer.

The directors utilise various Key Performance Indicators ("KPIs") to measure the performance of the business. The principal financial indicators include profit before tax and share-based payments, EBITDA, earnings per share and net debt. As outlined in the Report of the Chief Financial Officer, the directors are pleased with the Group's performance against both the financial and non-financial KPIs.

Results and Dividend

The results for the year are set out in the consolidated income statement. This shows a Group profit after taxation of £8.037 million (2007: £3.226 million).

The directors recommend a final dividend of one pence per share which, if approved, will be paid on 26 September 2008 to eligible shareholders on the register at 29 August 2008.

Capital Structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 24.

The Company has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of holding nor the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

Details of employee share schemes are set out in Note 24.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of directors are described in the terms of reference of the Board of directors, copies of which are available on request from the Joint Company Secretaries.

The directors are not aware of any agreements between the Company and its directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Under its Articles of Association, the Company has the authority to issue 23,167,446 ordinary shares.

International Financial Reporting Standards

This is the first full set of financial statements that the Group is required to prepare in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). In preparing these financial statements, the Group has started from an opening balance sheet at 1 April 2006, the transition date to IFRSs, and made those changes in accounting policies and other restatements required by IFRS 1 for first-time adoption of IFRSs.

Basis of Accounting

On 30 March 2007, Asfare Group plc (now "AssetCo plc") acquired all of the issued share capital of AssetCo Group Limited. By reason of the size of AssetCo Group Limited relative to Asfare Group plc and the fundamental change in the composition of the Board of directors and voting control, the acquisition was classified as a reverse takeover under the rules of the Alternative Investment Market ("AIM") of the London Stock Exchange and has been accounted for as such under International Financial Reporting Standards. Under United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), this transaction was considered to be a conventional acquisition with Asfare Group plc acquiring AssetCo Group Limited.

The transition to IFRSs is explained more fully in Note 39 to these financial statements.

Directors

The directors who held office during the year were as follows:

Tim Wightman (non-executive Chairman)

Adrian Bradshaw (non-executive)

David Chisnall OBE (non-executive – retired 31 January 2008)

John Shannon (Chief Executive Officer)

Frank Flynn (Chief Financial Officer)

Biographical details of the directors of the Company can be found in a separate section of the Annual Report.

Tim Wightman and Adrian Bradshaw both serve on the Audit Committee, Remuneration Committee and Nominations Committee. The responsibilities of these committees are outlined in the "Corporate Governance" section of the Annual Report.

In accordance with the Articles of Association, the directors retiring by rotation are Adrian Bradshaw and John Shannon who, being eligible, offer themselves for re-election at the Annual General Meeting.

Directors' Shareholdings

The interests of the directors in the shares of the Company were as follows:

	At 1 April 2007	At 31 March 2008
Executive Directors		
John Shannon (1)	26,963,327	26,963,327
Frank Flynn	7,137,351	7,175,000
Non-Executive Directors		
Tim Wightman (2)	532,083	532,083
Adrian Bradshaw (3)	267,917	267,917

(1) John Shannon is interested in 26,963,327 of the ordinary shares set out against his name by reason of his interest in the Shannon Trust and Shannon Heritage Trust.

(2) Tim Wightman is interested in 158,333 of the ordinary shares set out against his name by reason of his wife's beneficial ownership of those shares.

(3) Adrian Bradshaw is interested in 16,667 ordinary shares set out against his name, held in the Bradmount SSAS pension scheme.

On 20 April 2007, Frank Flynn purchased 40,250 ordinary shares. Of the shares purchased, 35,000 were acquired with a view to gifting them to employees of the AssetCo Group. Although these shares were purchased in the name of Frank Flynn, they were jointly paid for with John Shannon. The remaining holding of 5,250 shares was gifted to the father of Frank Flynn.

On 20 August 2007 and 28 December 2007, Frank Flynn purchased a further 12,649 and 25,000 ordinary shares respectively.

No changes took place in the interests of directors between 31 March 2008 and the date of approval of these financial statements.

The market price of the ordinary shares at 31 March 2008 was 176 pence (2007: 171 pence) and the range during the year was 171 pence to 231 pence.

No director has or had a material interest in any contract or arrangement to which the Company, or any subsidiary, is or was a party.

Directors' Indemnities

There are no third party indemnity provisions for directors in place during the year or at the date this report is approved.

Service Contracts

The executive directors, John Shannon and Frank Flynn, were awarded service contracts on 5 March 2007 of unlimited duration which are terminable, at any time by either party, by giving written notice of six months.

The non-executive directors, Tim Wightman and Adrian Bradshaw, were awarded service contracts on 5 March 2007 for two years and thereafter terminable on written notice of three months by either party.

The terms and conditions of appointment of the non-executive directors are available from the Joint Company Secretaries.

Share Options

The Group currently has share options for the Company's shares which were granted to directors and other senior employees.

The number of share options currently in existence is 1,819,327 as detailed in the table below.

Name	Parties	Exercise Price	No. of Shares	Exercise period
Tim Wightman	Director	100p	105,000	5 December 2003 to 4 December 2013
Adrian Bradshaw (1)	Director	100p	105,000	5 December 2003 to 4 December 2013
David Chisnall	Other	100p	80,000	5 December 2003 to 4 December 2013
Other employees	Other	145p	919,827	30 March 2010 to 29 March 2017
Other employees	Other	230p	185,000	31 July 2010 to 30 July 2017
Other employees	Other	300p	260,000	31 July 2010 to 30 July 2017
Other employees	Other	230p	100,000	23 November 2010 to 22 November 2017
Other employees	Other	300p	40,000	23 November 2010 to 22 November 2017
Other employees	Other	204p	2 4,500	29 November 2010 to 28 November 2017
			1,819,327	

(1) The options set out against the name of Adrian Bradshaw were granted to Bradmount Investments Limited acting as nominee for Adrian Bradshaw and Peter Mountford in equal shares. Both Adrian Bradshaw and Peter Mountford are directors and shareholders of Bradmount Investments Limited.

During the year, 689,500 share options were issued to senior employees of the Group. These options are exercisable within three to ten years of the date of grant.

A total of 60,000 share options were exercised during the year.

A total of 521,378 share options were forfeited during the year. In addition, a further 25,000 share options lapsed during the year.

Warrants

The Group has warrants which have been granted in respect of an aggregate of 420,000 ordinary shares, of which 210,000 are held by the non-executive directors, as follows:

Name	Exercise Price	No. of Shares	Exercise period
Tim Wightman	125p	105,000	12 December 2003 to 11 December 2008
Adrian Bradshaw	125p	105,000	12 December 2003 to 11 December 2008
		210,000	

No warrants were exercised or granted during the year.

Substantial Shareholdings

At 23 May 2008 the Company Secretary has been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules ("DTR") as issued by the Financial Services Authority, of the following interests of 3% or more in the issued ordinary share capital of the Company:

Shareholder	No. of Shares	% of Issued Share Capital
Shannon Trust	16,177,996	22.5%
Shannon Heritage Trust	10,785,331	15.0%
Frank Flynn	7,175,000	10.0%
Schroder Investment Management Limited	4,350,000	6.1%
David Smith	2,775,637	3.9%

All substantial shareholdings listed above are held directly by the parties concerned.

Charitable Donations

During the year, the Group made donations of £17,892 (2007: £1,000) to local charities serving the communities in which the Group operates.

Political Donations

No political donations (2007: £nil) were made during the year.

Principal Risks and Uncertainties

The directors continuously monitor the business and markets within which the Group operates in order to deal with any significant risks or uncertainties as they arise.

Although it is not possible to mitigate all risks, all reasonable steps are taken to ensure that any adverse consequences associated with these risks are minimised.

The Board has developed internal processes for identifying, evaluating and managing significant risks faced by the Group. The Board continues to develop a detailed risk register which identifies key strategic, financial and operating risks affecting, or potentially affecting, the Group. Each risk is assigned to a member of the Board who is responsible for monitoring that risk.

In order to mitigate the risks associated with the historical pre-acquisition poor performance of two of the Group's principal acquisitions, a detailed integration plan and financial projections were prepared prior to their acquisition. The performance of all newly acquired businesses continues to be monitored closely as senior management implement continuous improvement programmes and embark on a series of reorganisations. The Group is in discussions with lenders about re-financing its Vehicles division as it seeks to move away from short-term asset-based facilities towards a more medium-term financing solution. Should the Group be unsuccessful in these negotiations, the Group has adequate cash resources to support the businesses until its profit improvement programmes take effect.

The Group has recently won some significant overseas orders and the Board is confident that further contracts will follow, particularly in Europe and the Middle East. The Group is actively considering ways in which its anticipated increased exposure to exchange rate fluctuations can be managed.

In a similar vein, the Group has recently concluded negotiations with its principal providers of finance which now means that approximately 80% of its borrowings carry interest at a fixed rate.

The Group's exposure to credit risk is insignificant due to the nature of its two core Private Finance Initiative and Public Private Partnership contracts. Both contracts are government-backed and so the risk of default by customers is considered to be remote.

Revenue from these contracts is secured through long-term arrangements. Cash flows in relation to these contracts can be forecast with a high degree of certainty. These contracts and other areas of the business continue to grow improving the cash flows of the Group and enhancing profitability. Expenditure in the emergency services market is expected to continue to grow and, following the successful completion of a number of acquisitions during the year, we are well placed to capture revenues in all sectors of the market. The establishment of an Emergency Resource team, tasked with exploring opportunities in an area where over 80% of the annual budget of a typical Fire and Rescue Authority is spent, demonstrates the Group's commitment to the market.

Management monitors rolling forecasts of the Group's liquidity reserves and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at a local level in the operating companies of the Group.

Financial Instruments

Information about the use of financial instruments by the Group is given in Note 23 to the financial statements.

Financial Risk

The Group's approach to financial risk management and the financial risks it faces are summarised in Note 3 to the financial statements.

Going Concern

Based on the plans of the Group for the forthcoming year and after making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Events after the Balance Sheet Date

Details of significant events since the balance sheet date can be found in Note 33 to the financial statements.

Acquisitions and Disposals

Details of the Group's acquisitions and disposals can be found in Notes 29 and 32 to these financial statements.

Fixed Assets

There is no material difference between the book value and the current open market value of the Group's interests in land and buildings.

Insurance Cover

The Group maintains appropriate insurance cover in respect of legal actions against the directors as well as against material loss or claims against the Group. The adequacy of cover is reviewed on a regular basis.

Employment of Disabled Persons

It is the policy of the Group to give full and fair consideration to the employment of disabled persons in jobs suited to their individual circumstances and, as appropriate, to consider them for recruitment opportunities, career development and training. Where possible, arrangements are made for the continuing employment of employees who have become disabled whilst in the Group's employment.

Employee Involvement

Employees are kept informed of the performance and objectives of the Group through personal briefings, regular meetings and e-mail. The financial and economic factors affecting the Group's performance are also communicated by senior management through informal team briefings.

Directors and senior management regularly discuss with employees matters of current interest and concern to the business.

During the year, the directors implemented a Save as You Earn ("SAYE") scheme for all employees in an effort to further encourage share ownership and employee participation. The first savings in respect of the scheme commenced in April 2008.

Equal Opportunities

The Group is committed to equal opportunities from recruitment and selection through to training, development, performance monitoring and retirement.

It is the policy of the Group to promote an environment free from discrimination, harassment and victimisation. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

Creditor Payment Policy

The Group's policy is to agree the terms of payments with its suppliers as and when a trading relationship is established. The Group ensures that the terms of payment are clear and its policy is to abide by the agreed terms, provided the supplier meets its obligations. At 31 March 2008, the Group had an average of 44 days (2007: 47 days) purchases outstanding in trade payables, based on the average daily amount invoiced by suppliers during the year.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("EU") and the parent company financial statements in accordance with United Kingdom Accounting Standards ("United Kingdom Generally Accepted Accounting Practice").

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

In accordance with section 384 of the Companies Act 1985, Grant Thornton UK LLP offer themselves for reappointment as auditors of the Group.

By order of the Board

Michael Lavender
Joint Company Secretary
27 May 2008

Kaye Morton
Joint Company Secretary

Corporate Governance Report

The Company is committed to high standards of corporate governance and the Board acknowledges that it is accountable to the Company's shareholders on such matters. As an AIM listed company, AssetCo plc is not required to comply with all of the Listing Rules of the Financial Services Authority. However, the Company has chosen to disclose the following information on corporate governance.

The Board

The Board consists of two executive and two non-executive directors. The executive directors provide a direct line of control between the Company and its operating businesses. The non-executive directors provide a balance to the Board and bring a wide breadth of experience.

The Board meets on a monthly basis and has a formal schedule of matters reserved for its consideration and decision. These matters include the approval of the financial and commercial strategy, dividend policy, annual and interim results, review of major investments, internal controls and performance as well as reporting to shareholders. The schedule is reviewed on an annual basis.

Operational decisions are delegated to members of the Group's Operating Board and senior management team.

All directors have access to the advice and services of the Joint Company Secretaries and may also seek independent professional advice and training, at the expense of the Company, if required to carry out their duties.

The Board carries out rigorous reviews of its own performance and that of its committees. Formal individual performance reviews are also conducted. In addition, the close-working nature of the Board is such that an under-performance would be immediately apparent. The Chairman explicitly encourages any Board member with concerns over the performance of an individual director to identify those to himself at any time.

Committees

The Board has established an audit committee (Adrian Bradshaw, Chairman), remuneration committee (Tim Wightman, Chairman) and nominations committee.

The terms of reference of each of the committees are available from the Joint Company Secretaries.

Audit Committee

The audit committee, which convenes every six months, has primary responsibility for monitoring the quality of internal controls and for ensuring that the financial performance of the Group is properly measured and reported on, as well as reviewing reports from the Group's auditors relating to the Group's accounting and internal controls, in all cases having due regard to protecting the interests of the shareholders.

The committee also reviews the independence and objectivity of non-audit services supplied by the external auditors to the Group, seeking to balance objectivity and value for money taking into account relevant ethical guidance.

Remuneration Committee

The remuneration committee will determine the terms and conditions of service of the executive directors, including their remuneration and grant of options.

The policy of the committee is to implement packages that are closely aligned to market standards and best practice.

The committee believes that the directors should be retained and appropriately rewarded. Annual bonuses should be performance-related and linked to the principal corporate objective of increasing shareholder value.

Should an executive director wish to take up an external appointment, approval must be sought from the Chairman and Chief Executive Officer of the Group.

The non-executive directors are paid a fee for their services and do not qualify for performance bonuses.

Remuneration of the Directors

The remuneration of the executive directors and fees paid to the non-executive directors during 2008 and 2007 are as follows:

	Salary 2008 £'000	Benefits in kind 2008 £'000	**Total Emoluments 2008 £'000**	Total Emoluments 2007 £'000
John Shannon	250	38	**288**	250
Frank Flynn	250	38	**288**	250
	500	76	**576**	500

No bonus payments were awarded during 2008 (2007: £125,000 each to John Shannon and Frank Flynn). No pension contributions were made during 2007 and 2008.

Non-Executive Directors' Remuneration

	2008 £'000	**2007 £'000**
Tim Wightman	55	51
Adrian Bradshaw	35	49
David Chisnall	52	64
	142	**164**

Nominations Committee

The nominations committee makes recommendations to the Board for the appointment or replacement of directors. It is also responsible for succession planning within the Group.

There were no appointments to the Board of directors during the year although following the retirement of one of the non-executive directors in January 2008, the committee is actively seeking a replacement.

It is the policy of the committee to use an external search consultancy when seeking to appoint a new director.

Internal Control

The Board is responsible for maintaining a sound system of internal controls to safeguard the investment of shareholders and the assets of the Group.

The directors monitor the operation of the internal controls. The objective of the system is to safeguard the assets of the Group, to ensure proper accounting records are maintained and to ensure that the financial information used within the business, and for publication, is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance, against material misstatement or loss.

Internal control procedures implemented by the Board include:

- A clearly defined organisation structure with formal lines of authority, accountability and responsibility;
- Review of monthly financial reports and monitoring of performance;
- Prior approval of all significant expenditure including all major investment decisions; and
- Regular assessment of major business, investment and financing risks.

The Board has reviewed the operation and effectiveness of the Group's system of internal control for the financial year and the period up to the date of approval of the financial statements.

During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore, a confirmation in respect of necessary actions has not been considered appropriate.

Internal Audit Function

Prior to the business combination on 30 March 2007, the size and nature of the operations of the Group did not warrant the establishment of an internal audit function. The audit committee continues to monitor whether an internal audit function should be implemented for the enlarged Group.

Attendance at Meetings

The number of Board and Committee meetings attended by each of the directors during the year was as follows:

	Main Board Meetings	Audit Committee	Remuneration Committee	Nominations Committee
Executive Directors				
John Shannon	11 (11)	-	-	-
Frank Flynn	10 (11)	-	-	-
Non-Executive Directors				
Tim Wightman	11 (11)	2 (2)	5 (5)	- (-)
Adrian Bradshaw	10 (11)	2 (2)	5 (5)	- (-)
David Chisnall	8 (10)	- (-)	- (-)	- (-)

The figures in parentheses indicate the number of meetings that each director was eligible to attend during the year.

There were no meetings of the nominations committee during the year under review.

Relations with Shareholders

The Board has always sought to maintain good relations with the Company's shareholders and believe that shareholders should receive timely information on the performance of the Group.

The directors acknowledge that it is important for both private and institutional shareholders to have the opportunity to raise concerns or discuss matters. All of the directors attend the Company's Annual General Meeting and are available to answer questions at the meeting or privately. The directors are in regular contact with institutional shareholders and feedback is also received from the Company's brokers and nominated advisor.

Michael Lavender
Joint Company Secretary

Kaye Morton
Joint Company Secretary

27 May 2008

Report of the Independent Auditor

We have audited the Group financial statements ("the financial statements") of AssetCo plc for the year ended 31 March 2008 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes 1 to 39 of the financial statements. These Group financial statements have been prepared under the accounting policies set out in note 2 of the financial statements.

We have reported separately on the parent company financial statements of AssetCo plc for the year ended 31 March 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and independent auditor

The directors' responsibilities for preparing the Annual Report and financial statements in accordance with United Kingdom applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement and the Reports of the Chief Executive Officer and Chief Financial Officer that is cross referenced from the "Review of business and future developments" section of the Report of the Directors.

In addition, we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited Group financial statements. The other information comprises the Chairman's Statement, the Reports of the Chief Executive Officer and Chief Financial Officer, the Report of the Directors and the Corporate Governance Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Group financial statements, and of whether the accounting polices are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion

In our opinion:

- The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs at 31 March 2008 and of its profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Report of the Directors is consistent with the Group financial statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
London Thames Valley Office
Slough

28 May 2008

The maintenance and integrity of the AssetCo plc website is the responsibility of the directors. The work carried out by the auditor does not involve consideration of these matters and, accordingly, accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

	Notes	Year Ended 31.3.08 £'000	31.3.07 £'000
Continuing Operations			
Revenue	6	68,848	90,628
Cost of Sales	13	(34,795)	(68,438)
Gross Profit		34,053	22,190
Administrative Expenses	13	(19,135)	(16,272)
Other Gains	9	1,016	138
Restructuring Costs	28	(1,549)	-
Operating Profit	7	14,385	6,056
Finance income	10	429	3,379
Finance costs	10	(5,373)	(5,099)
Profit before Taxation		9,441	4,336
Taxation	11	(1,860)	(2,211)
Profit for the year from continuing operations		7,581	2,125
Discontinued Operations			
Profit for the year from discontinued operations	29	456	1,101
Profit for the year		8,037	3,226
Earnings per Share (pence)			
From Continuing Operations			
Basic	12	11.1 p	4.4 p
Diluted	12	10.8 p	4.2 p
From Continuing and Discontinued Operations			
Basic	12	11.8 p	6.7 p
Diluted	12	11.5 p	6.4 p

The notes on pages 44 to 106 are an integral part of these consolidated financial statements

Consolidated Balance Sheet

	Notes	31.3.08 £'000	31.3.07 £'000
Non-Current Assets			
Property, plant and equipment	16	76,727	50,835
Goodwill	17	51,922	34,646
Other intangible assets	17	1,576	44
Investment in associates	29	414	-
Deferred tax asset	26	1,817	267
Retirement benefit surplus	18	429	329
		132,885	86,121
Current Assets			
Inventories	19	8,048	4,235
Trade and other receivables	20	21,513	14,052
Cash and cash equivalents	21	12,896	10,231
Assets held for sale	22	3,370	-
Derivative financial instruments	23	2,190	-
		48,017	28,518
Total Assets		180,902	114,639
Attributable to Equity Holders of the Company			
Issued share capital	24	17,958	16,800
Share premium account	24	25,197	17,890
Reverse acquisition reserve	39	(11,701)	(11,701)
Hedging reserve	23	1,577	-
Translation reserve		356	-
Other reserve	24	384	-
Retained earnings		11,506	3,413
Total Equity		45,277	26,402
Non-Current Liabilities			
Borrowings	25	69,970	49,763
Deferred tax liabilities	26	5,961	3,438
Retirement benefit obligations	18	-	42
		75,931	53,243
Current Liabilities			
Trade and other payables	27	27,871	21,016
Current income tax liabilities		330	213
Borrowings	25	26,825	13,765
Provisions	28	1,549	-
Liabilities associated with assets classified as held for sale	22	3,119	-
		59,694	34,994
Total Liabilities		135,625	88,237
Total Equity and Liabilities		180,902	114,639

The notes on pages 44 to 106 are an integral part of these consolidated financial statements

Approval

These financial statements were approved by the Board of directors and authorised for issue on 27 May 2008. They were signed on its behalf by:

Frank Flynn
Director

The notes on pages 44 to 106 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

	Share Capital £'000	Share Premium Account £'000	Reverse Acquisition Reserve £'000	Hedging Reserve £'000	Translation Reserve £'000	Other Reserve £'000	Retained Earnings £'000	Total Equity £'000
At 1 April 2006	100	2,971	-	-	-	-	1,854	4,925
Loss on fair value of shares classified as financial liabilities (Note 39)	-	-	-	-	-	-	(1,667)	(1,667)
Net losses recognised directly in equity	-	-	-	-	-	-	(1,667)	(1,667)
Accounting for the reverse acquisition (Note 39)	16,700	14,919	(11,701)	-	-	-	-	19,918
Profit for the year	-	-	-	-	-	-	3,226	3,226
At 31 March 2007	**16,800**	**17,890**	**(11,701)**	-	-	-	**3,413**	**26,402**
Gain recognised on cash flow hedge – interest rate swap (Note 23)	-	-	-	2,190	-	-	-	2,190
Tax on items taken directly to equity	-	-	-	(613)	-	-	-	(613)
Exchange differences on translation of overseas operations	-	-	-	-	356	-	-	356
Movement on share options in the year	-	-	-	-	-	(56)	56	-
Net gains recognised directly in equity	-	-	-	1,577	356	(56)	56	1,933
Movement relating to share-based payments (Note 24)	-	-	-	-	-	440	-	440
Profit for the year	-	-	-	-	-	-	8,037	8,037
Net proceeds from issue of shares (Note 24)	1,158	7,307	-	-	-	-	-	8,465
At 31 March 2008	**17,958**	**25,197**	**(11,701)**	**1,577**	**356**	**384**	**11,506**	**45,277**

The notes on pages 44 to 106 are an integral part of these consolidated financial statements

Consolidated Cash Flow Statement

	Notes	Year Ended 31.3.08 £'000	31.3.07 £'000
Cash flows from Operating Activities			
Cash generated from operations	31	14,123	15,137
Finance costs	10	(5,373)	(5,099)
Corporation tax paid		(177)	(136)
Net cash generated from operating activities		8,573	9,902
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	32	(4,910)	(1,313)
Investment in associated undertaking	29	(414)	-
Purchase of intangible assets	17	(1,089)	(36)
Purchases of property, plant and equipment	16	(38,550)	(13,818)
Proceeds from sale of property, plant and equipment		3,518	7,316
Proceeds from sale of subsidiary undertakings		900	-
Net cash used in investing activities		(40,545)	(7,851)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		6,378	18,251
Net repayments of borrowings		(4,552)	(12,445)
Net increase in/(repayments of) finance leases		27,493	(10,841)
Finance income	10	429	3,379
Net cash used in financing activities		29,748	(1,656)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(2,224)	395
Cash, cash equivalents and bank overdrafts at beginning of period		2,618	2,223
Cash, cash equivalents and bank overdrafts at end of period	21	394	2,618

The notes on pages 44 to 106 are an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

1. Legal Status and Activities

AssetCo plc and its subsidiaries (together "the Group") are principally involved with the provision of management services to the emergency services market. Other Group companies are engaged in automotive engineering, 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 fourteen sites throughout the United Kingdom and one in the Republic Of Ireland.

AssetCo plc has its primary listing on the Alternative Investment Market ("AIM") of the London Stock Exchange.

The financial statements of AssetCo plc for the year ended 31 March 2007 were delivered to the Registrar of Companies on 9 August 2007. Those financial statements received an unqualified audit report which did not contain statements under Section 237 (2) and (3) of the Companies Act 1985.

Due to the adoption of reverse acquisition accounting, references to "the Company" in the consolidated financial statements are to AssetCo Group Limited. Further information on reverse acquisition accounting is given in Note 2.2 and Note 39.

For greater clarity, the financial statements have been presented in round thousands (£'000).

These Group consolidated financial statements were authorised for issue by the Board of Directors on 27 May 2008.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of Preparation

The financial statements comply with the AIM Rules and have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial statements are prepared using the historical cost convention as modified for the revaluation of certain assets.

This is the first full period in which the financial statements have been prepared under IFRSs. A summary of the impact of the transition from UK GAAP to IFRSs can be found in Note 39. In preparing these financial statements, the Group has started from an opening balance sheet as at 1 April 2006, the Group's date of transition to IFRSs. As part of the transition, all accounting policies have been reviewed and changes made as appropriate.

Comparative information in respect of the year ended 31 March 2007 has been restated to comply with IFRSs.

Exemptions

IFRS 1, "First-time Adoption of International Financial Reporting Standards", provides a number of optional exemptions to the general principles of full retrospective application of IFRSs. The Group has elected to take advantage of the following optional exemptions:

IFRS 3, "Business Combinations", has not been applied to acquisitions of subsidiaries or interests in joint ventures that occurred before 1 April 2006 as these were business combinations effected before the date of transition to IFRSs.

The Group has elected to recognise all cumulative actuarial gains and losses in relation to employee benefit schemes at the date of transition.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Further details on the critical accounting estimates used and judgements made in preparing these financial statements can be found in Note 4.

Accounting Standards and Interpretations

a) Interpretations to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2008 or later periods but which the Group has not early adopted:

Standards

IFRS 8, "Operating Segments" (effective for annual periods beginning on or after 1 January 2009). IFRS 8 sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. Management is currently assessing the impact of IFRS 8 on the Group's operations.

IAS 1 (revised), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009). IAS 1 (revised) sets out revisions to the presentation of financial information. Management is currently assessing the impact of IAS 1 (revised) on the financial statements of the Group.

IFRS 3 (revised), "Business Combinations"; IAS 27 (amended), "Consolidated and Separate Financial Statements"; IAS 28 (amended), "Investments in Associates"; and IAS 31 (amended), "Interests in Joint Ventures" (all effective for annual periods beginning on or after 1 July 2009). The changes made to these accounting standards are designed to ensure uniformity in the accounting treatment for business combinations under both United States Generally Accepted Accounting Principles and IFRSs. Management is currently assessing the impact of these revisions and amendments on the Group's operations.

IAS 32 (amended), "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2009). IAS 32 (amended) includes changes to the presentation of puttable instruments and obligations arising on a liquidation. Management is currently assessing the impact of IAS 32 (amended) on the financial statements of the Group.

IFRS 2 (amended), "Share-based Payment" (effective for annual periods beginning on or after 1 January 2009). IFRS 2 (amended) provides clarification surrounding vesting conditions and the cancellation of options. Management is currently assessing the impact of IFRS 2 (amended) on the financial statements of the Group.

Interpretations

IFRIC 12, "Service Concession Arrangements" (effective for annual periods beginning on or after 1 January 2008). IFRIC 12 is not relevant to the Group's operations.

IFRIC 13, "Customer Loyalty Programmes" (effective for annual periods beginning on or after 1 July 2008). IFRIC 13 is not relevant to the Group's operations.

IFRIC 14, IAS 9, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective for annual periods beginning on or after 1 January 2008). Management is currently assessing the impact of IFRIC 14 on the Group's operations.

b) Revisions to existing standards that have been early adopted

IAS 23 (revised), "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009). IAS 23 (revised) requires borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale to be capitalised. The Group has chosen to early adopt this revised standard. The impact of early adoption of IAS 23 (revised) is to increase the carrying cost of property, plant and equipment by £382,000 with a corresponding reduction in borrowing costs in the consolidated income statement.

2.2 Consolidation

a) Reverse Acquisition Accounting

Under IFRS 3 "Business Combinations", the acquisition of AssetCo Group Limited (the "legal subsidiary") by the Company (the "legal parent") has been accounted for as a reverse acquisition and the consolidated IFRS financial information of the Company is therefore a continuation of the financial information of AssetCo Group Limited.

Under reverse acquisition accounting, the cost of a business combination is deemed to have been incurred by the legal subsidiary in the form of equity instruments issued to the owners of the legal parent.

The assets and liabilities of the legal subsidiary (the "acquirer") are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts. The assets and liabilities of the legal parent (the "acquiree") are fair valued at the acquisition date.

The retained earnings and other reserves recognised in the consolidated financial statements should be those of the legal subsidiary immediately before the business combination. The equity structure shown in the consolidated financial statements should reflect the legal parent's equity structure, including the equity instruments issued by the legal parent to effect the combination.

Further details can be found in Note 39 to the financial statements.

b) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

When settlement of all or any part of the cost of a business combination is deferred, the fair value of that deferred component shall be determined by discounting the amounts payable to their present value at the date of exchange, taking into account any premium or discount likely to be incurred in settlement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless there is evidence of impairment of the asset, but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

c) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the post-acquisition profit or loss of its associates is recognised in the income statement, and its share of post-acquisition movement in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

d) Joint Ventures

The Group's interests in joint ventures, which are 50% jointly owned with another entity, are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

e) Recognition of assets and liabilities as part of a business combination

In accordance with IFRS 3, "Business Combinations", an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separated from goodwill where the individual fair values of the assets in the group are not reliably measurable. Where the individual fair value of the complimentary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

f) Assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for its recognition as a completed sale within one year from the date of classification.

2.3 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable from the provision of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

a) Rendering of Services

The majority of revenue from the assets provided under the two long-term contracts held by the Group is recognised through a monthly "slot price" that is agreed with the customer prior to supplying the vehicle or equipment. The "slot price" is based on a financial model prepared at the outset of the contract which is revised, on a monthly basis, for inflation and other equipment specification changes. The "slot price" takes into account the cost of funding the asset as well as an estimated cost for its ongoing maintenance and repair.

Revenue is only recognised in respect of these contracts when it can be measured reliably and it is probable that economic benefits will flow which is generally when the asset provided under the long-term contract has been accepted by the customer and is first available for use.

b) Sale of Goods

Revenue from the sale of goods to the emergency services market is recognised when all of the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods which is generally when the goods have been successfully delivered to the customer and accepted;
- the Group retains neither continuous managerial involvement to the degree usually associated with ownership nor effective control over the goods sold which is generally when the goods have been despatched;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Leasing and Short-Term Hire

Revenue from the leasing and short-term hire of assets is recognised in the income statement on a straight-line basis over the period of the hire.

d) Interest Income

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset and allocates the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.4 Foreign Currency Translation

a) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in sterling (£), which is the Company's functional and presentation currency.

There has been no change in the Company's functional or presentation currency during the year under review.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.5 Government Grants

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.6 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.7 Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. The frequency of valuations is designed to ensure that the fair value of land and buildings does not differ materially from the carrying amount disclosed in the financial statements. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from other reserves to retained earnings.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance is charged to the income statement during the financial period in which they are incurred.

Borrowing costs incurred specifically for the construction of an item of property, plant and equipment are capitalised.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Leasehold Land and Buildings:
Over the term of the lease

Leasehold Improvements:
Over the term of the lease

Fixtures and Fittings:
3 – 5 years

Equipment, Plant and Machinery:
2 – 5 years

Operational equipment and motor vehicles:
2 – 25 years

Land is not depreciated.

Operational equipment and motor vehicles that have been provided to customers under long-term contracts are grouped as "assets under long-term arrangements" in Note 16 to the financial statements.

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains" or "other losses" in the income statement.

2.8 Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (separately identifiable cash flows) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each contract that it operates and the underlying business to which the goodwill relates.

Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out ("FIFO") method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Financial instruments

a) Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents".

Trade Receivables

Trade receivables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Interest Rate Swaps

Derivative financial instruments such as interest rate swaps are occasionally entered into in order to manage interest rate risks arising from long-term debt. Where such derivative transactions are executed, gains and losses in the fair value of such arrangements are taken either to reserves or to the income statement dependent upon the nature of the instrument.

b) Financial liabilities and Equity instruments

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments, including share capital, are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are classified as such in the balance sheet.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate or return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Any gains or losses arising from changes in the fair value of derivatives during the year that do not qualify for hedge accounting are taken directly to the income statement. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Equity

Issued Share Capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share Premium

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Reverse Acquisition Reserve

The reverse acquisition reserve arises on the acquisition of Asfare Group plc by AssetCo Group Limited and represents the extent to which the reserves of AssetCo Group Limited have been capitalised as a result of the business combination.

Hedging Reserve

Under cash flow hedge accounting, movements on the effective portion of the hedge are recognised through the hedging reserve, while any ineffectiveness is taken to the income statement.

Translation Reserve

The translation reserve represents the movement on the translation of the net investment in foreign operations recorded in foreign currencies at the balance sheet date. Exchange differences arising in the ordinary course of trading are included in the income statement.

Other Reserve

The other reserve represents equity-settled share-based employee remuneration until such share options are exercised, forfeited, lapse or expire.

2.12 Research and Development

The Group incurs expenditure on research projects and on projects to apply research findings to develop new or substantially improved products. This expenditure is recognised in the income statement as an expense as incurred.

Once detailed criteria have been met that confirm that the product is both technically and commercially feasible, that there is an intention and ability to complete the asset and use it or sell it, that future economic benefits will be generated, that there is adequate technical and financial support available to complete the asset and expenditure can be measured reliably, any further expenditure incurred on the project is capitalised if the expenditure is expected to be material.

2.13 Leases

Group as a Lessee

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risk and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Leases other than finance leases are classified as operating leases and payments are charged to the income statement on a straight-line basis over the lease term. Lease incentives, if applicable, are spread over the term of the lease.

Group as a Lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

When assets are leased our under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

2.14 Income Taxes

Income tax payable is provided on taxable profits using tax rates enacted or substantially enacted at the balance sheet date.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that is it probable that future taxable profit will be available against which the temporary differences can be utilised.

2.15 Employee Benefits

Pension Obligations – Defined Benefit Schemes

Group companies operate two defined benefit pension schemes.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Appropriate adjustments are made for unrecognised actuarial gains or losses and past service costs. Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that benefits are already vested the Group recognises past service cost immediately.

Actuarial gains and losses are recognised as an expense and charged or credited to the income statement over the employees' expected average remaining working lives. The resulting surplus or deficit is presented with other net assets on the balance sheet. The related deferred tax is shown with other deferred tax balances. A surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost, past service cost and costs from settlements and curtailments are charged against administrative expenses. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs.

Pension Contributions – Defined Contribution Scheme

For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Contributions to defined contribution schemes are recognised in the income statement during the period in which they become payable.

Equity Settled Share-Based Payment

All share-based payment arrangements are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values using the Black-Scholes options pricing model. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "other reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Termination Benefits

Termination benefits are payable when an employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of acceptance of an offer of voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to passage of time is recognised as an interest expense.

2.17 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial Risk Management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board of directors. The Board provides written principles for overall risk management.

3.1 Financial Risk Factors

a) Credit Risk

The Group's exposure to credit risk is detailed in Notes 20 and 21.

The Group has a policy for dealing with customers only with an appropriate credit history.

The Group has policies that limit the amount of credit exposure to any financial institution. The credit risk on liquid funds is limited because the counterparties are financial institutions with strong credit ratings assigned by international credit-rating agencies. The possibility of material loss is therefore considered to be unlikely.

b) Market Risk

Currency Risk
The Group does not have any significant foreign currency exposure, as the majority of revenue, purchases and capital expenditure are denominated in sterling.

Interest-Rate Risk
The Group's policy on managing interest rate risk is subject to regular monitoring of the effect of potential changes in interest rates on its interest cost with a view to taking suitable actions should exposure reach certain levels. The Group seeks to limit its exposure to fluctuating interest rates by keeping a significant proportion of the Group's borrowings at fixed interest rates.

In April 2008, the Group entered into a two-year interest rate swap at a rate of 4.95% on loans of £20.5 million provided by Bank of Scotland (Ireland). The Group has now fixed the interest rate on approximately 80% of its borrowings.

Financial Assets
The Group holds its surplus funds in short-term bank deposits.

Financial Liabilities
As described above, after entering into a two-year interest rate swap arrangement in April 2008, interest-rate risk no longer arises on the Group's acquisition debt.

The Group's interest rate risk arises from long-term borrowings issued at variable rates to finance its Private Finance Initiative and Public Private Partnership contracts. In order to reduce funding risk and maintain interest cover, the Group manages the risk by using floating-to-fixed interest rate swaps. Under the swaps, the Group agrees to exchange, at specific intervals, the difference between fixed contract rates and floating rate interest amounts, calculated by reference to the agreed notional principal amount. These interest rate swaps have the effect of converting borrowings from floating rates to fixed rates for a specified period of time.

The Group's obligations under finance leases carry interest at a fixed rate.

Other Price Risk

Other price risk, such as changes in the fair value of financial instruments being caused by movements in commodity or equity prices, is not applicable to the Group's operations. The Group does not hold any investments in companies listed on recognised Stock Exchanges and the Group's operations are not directly affected by changes in commodity prices.

c) Liquidity Risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group maintains adequate bank balances to fund its operations.

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital in relation to overall financing. Further information can be found in Note 36 to the financial statements.

4. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Actual outcomes could vary significantly from these estimates.

Value in use is determined through the analysis of discounted cash flow forecasts based on financial forecasts approved by management which takes account of both past performance and expected future market developments. Management has used a pre-tax discount rate of 6.75%, equivalent to the weighted average cost of capital of the Group. This has been determined as reflecting current market assessments of the time value of money and risks specific to the industry and Group.

At the balance sheet date, the carrying value of goodwill was £51.9 million.

Property, Plant and Equipment

Useful economic lives and residual values of property, plant and equipment have been established based on historical experience and an assessment of the nature of the assets involved. At the balance sheet date, the carrying value of property, plant and equipment was £76.7 million.

Pensions

The directors have employed the services of an actuary in assessing pension liabilities. However, the directors recognise that final liabilities and asset returns may differ from actuarial estimates.

At the balance sheet date, the carrying value of the retirement benefit surplus was £429,000.

b) Judgements

No critical judgements have been made in preparing the financial statements which have a significant risk of causing a material adjustment to be made to the carrying amounts of assets and liabilities within the next financial year.

5. Primary Segment Information

For management purposes, the Group is organised into two main business segments which are the Emergency Support Services Team and the Vehicle and Emergency Equipment Team. These teams are the basis on which the Group reports its primary segment information. The legacy non-core business of fleet management is separately disclosed as Non Emergency. All assets and liabilities of the Group are allocated to individual segments.

The principal activities of the three teams are as follows:

Emergency Support Services – provision of management services to the emergency services market

Vehicle and Emergency Equipment – sale and supply of specialist equipment to the homeland security market and automotive engineering

Non Emergency – provision of asset management services

Year ended 31 March 2008	Emergency Support Services £'000	Vehicle and Emergency Equipment £'000	Non Emergency £'000	Discontinued Operations £'000	Consolidation Adjustments £'000	Group £'000
Continuing Operations						
Segment revenue	26,119	61,886	6,129	3,221	(25,286)	72,069
Segment operating profit/(loss)	8,573	4,804	1261	643	(440)	14,841
Segment finance income	103	27	299	-	-	429
Segment finance costs	(2,948)	(412)	(1,826)	(187)	-	(5,373)
Segment profit/(loss) before tax	5,728	4,419	(266)	456	(440)	9,897
Depreciation and amortisation	4,616	409	2,240	220	-	7,485
Segment assets	195,093	48,121	22,686	3,370	(88,368)	180,902
Cost of acquired property, plant & equipment	36,920	1,300	277	53	-	38,550
Segment liabilities	159,465	28,681	12,941	3,119	(68,581)	135,625

The consolidation adjustments affecting the segment profit before tax relate to the elimination of inter-segment sales from the Emergency Equipment Division to the Emergency Services Division (£25.286 million) and a charge for share-based payments (£440,000). Inter-segment sales are at cost.

The disclosures above in respect of discontinued operations all relate to the Non Emergency segment (see Note 29).
The depreciation and amortisation charges for each segment have been reported within the segment profit before tax.
The investment in Miquest Limited (note 29) forms part of the Emergency Services segment.

Year ended 31 March 2007	Emergency Support Services £'000	Vehicle and Emergency Equipment £'000	Non Emergency £'000	Discontinued Operations £'000	Consolidation Adjustments £'000	Group £'000
Continuing Operations						
Segment revenue	22,915	21,006	50,214	3,478	(3,507)	94,106
Segment operating profit	6,756	948	942	1,272	(2,761)	7,157
Segment finance income	45	-	-	-	3,334	3,379
Segment finance costs	(2,954)	(40)	(439)	(171)	(1,495)	(5,099)
Segment profit before tax	3,847	908	503	1,101	(922)	5,437
Depreciation and amortisation	4,638	393	3,957	510	-	9,498
Segment assets	157,483	50,425	32,589	5,880	(131,738)	114,639
Cost of acquired property, plant & equipment	11,009	149	2,010	650	-	13,818
Segment liabilities	62,490	29,368	20,152	4,006	(27,779)	88,237

The consolidation adjustments affecting the segment profit before tax relate to the movement on the valuation of the pension scheme of £101,000, an effective finance cost on the fair value of shares classified as financial liabilities of £1.67 million, a finance gain of £3.34 million on the waiving of deferred consideration, cancellation of intra-group sales of £29,000 and previously capitalised transaction costs of £1.59 million expensed through the income statement.

Further details on these adjustments which arise through the adaption of International Financial Reporting Standards can be found in Note 39.

The depreciation and amortisation charges for each segment have been reported within the segment profit before tax.

Secondary Reporting Format – Geographical Segments

The Group manages its business segments in the UK, which is the home country of the parent Company. In addition, the Group provides business support services from its base in the Republic of Ireland, which is disclosed under "Europe" below.

The revenue analysis below is based on the location of the service provided or sale made.

	2008 £'000	2007 £'000
Revenue - Continuing Operations		
UK	64,028	88,524
Europe	4,820	2,104
	68,848	90,628

The majority of current assets are located in the UK where most of the capital expenditure is also incurred.

	2008 £'000	2007 £'000
Current Assets		
UK	47,837	28,500
Europe	180	18
	48,017	28,518

	2008 £'000	2007 £'000
Capital Expenditure		
UK	38,512	13,211
Europe	38	607
	38,550	13,818

6. Revenue

An analysis of the Group's revenue is as follows:	2008 £'000	2007 £'000
Continuing Operations		
Sales of goods	30,774	20,977
Emergency-related managed services	25,005	20,807
Leasing and contract hire	8,249	46,736
Support services	4,820	2,108
Revenue	68,848	90,628
Discontinued Operations		
Leasing and Contract Hire	3,221	3,478
	72,069	94,106

7. Profit for the Year

The profit for the year has been arrived at after charging/(crediting):

	2008 £'000	2007 £'000
Net foreign exchange gains	(8)	(16)
Research and developments costs	15	-
Government grants towards employment costs	(301)	(345)
Depreciation of property, plant and equipment	7,462	9,493
Staff costs (Note 14)	19,915	11,564
Impairment loss recognised on trade receivables	51	145

8. Auditor's Remuneration

	2008 £'000	2007 £'000
Fees payable to the Company's auditor for the audit of the Company's financial statements	280	220

Fees payable to the Company's auditor and their associates for other services to the Group:

	2008 £'000	2007 £'000
Tax services	29	106
Corporate finance services	460	350
Other services	80	247
	569	703

9. Other Gains

	2008 £'000	2007 £'000
Profit on disposal of property, plant & equipment	16	138
Profit on disposal of subsidiary undertakings (Note 29)	1,000	-
	1,016	138

10. Finance Income and Finance Costs

	2008 £'000	2007 £'000
Finance Income		
Interest income on short-term bank deposits	429	45
Gain on settlement of deferred consideration	-	3,334
	429	3,379
Finance Costs		
Interest on bank borrowings and finance leases	5,373	3,432
Increase in valuation of shares classified as financial liabilities	-	1,667
	5,373	5,099

Included within administrative expenses is a loss of £51,000 (2007: £145,000) in respect of the impairment of trade receivables.

11. Taxation

	2008 £'000	2007 £'000
Current Tax		
Domestic Tax		
Current tax on income for the period	172	-
Adjustment in respect of prior years	(58)	(113)
Foreign Tax		
Current tax on income for the period	217	-
Current tax charge / (credit)	331	(113)
Deferred Tax		
Deferred tax expense relating to the origination and reversal of temporary differences	1,734	2,324
Deferred tax income resulting from reduction in tax rate	(205)	-
Deferred tax charge	1,529	2,324
Taxation	1,860	2,211

Corporation tax is calculated at 30% (2007: 30%) of the estimated assessable profit for the year.

In 2007, the UK government announced its intention to reduce the corporation tax rate from 30% to 28% with effect from 1 April 2008.

Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions.

At 31 March 2008, net trading losses of approximately £3.436 million are available to be carried forward.

Of the charge to tax, approximately £300,000 related to profits from AssetCo (Ireland) Limited, AssetCo Management Limited, Star Rentals Limited and Irish Truck Rental Limited (see Note 29) which were disposed of during the year. No tax charge or credit arose on the disposal of these subsidiaries.

Tax Reconciliation

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2008 £'000	2007 £'000
Profit before tax	9,441	4,336
Profit for the year from discontinued operations	456	1,101
Profit for the year	9,897	5,437
Tax calculated at domestic tax rates applicable to profits	2,969	1,631
Effect of:		
Income not subject to tax	(37)	(43)
Expenses not deductible for tax purposes	426	35
Utilisation of previously unrecognised tax losses	373	(497)
Amortisation of intangible assets	(53)	12
Difference between tax and accounting values on assets transferred to Group companies	-	692
Rate difference on tax charge	(324)	(40)
Rate difference on deferred tax charge	(205)	-
Adjustment in respect of prior periods - current tax	(58)	(113)
Adjustment in respect of prior periods - deferred tax	(1,231)	534
Current tax charge for the period	1,860	2,211

12. Earnings per Share

a) Basic

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

From Continuing Operations

	2008 £'000	2007 £'000
Profit attributable to equity holders of the Company	**8,037**	3,226
Profit from discontinued operations	**(456)**	(1,101)
Profit from continuing operations used to determine basic earnings per share	**7,581**	2,125
Weighted average number of ordinary shares in issue	**68,100,097**	48,434,483
Basic earnings per share (pence per share)	**11.1**	4.4

From Continuing and Discontinued Operations

	2008 £'000	2007 £'000
Profit attributable to equity holders of the Company	**8,037**	3,226
Weighted average number of ordinary shares in issue	**68,100,097**	48,434,483
Basic earnings per share (pence per share)	**11.8**	6.7

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise share options and warrants. A calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and warrants.

From Continuing Operations	2008 £'000	2007 £'000
Profit attributable to equity holders of the Company	8,037	3,226
Profit from discontinued operations	(456)	(1,101)
Profit from continuing operations used to determine diluted earnings per share	7,581	2,125
Weighted average number of ordinary shares in issue	68,100,097	48,434,483
Adjustments for: share options and warrants	1,829,827	2,156,205
Weighted average number of ordinary shares used for diluted earnings per share	69,929,924	50,590,688
Diluted earnings per share (pence per share)	10.8	4.2

From Continuing and Discontinued Operations	2008 £'000	2007 £'000
Profit attributable to equity holders of the Company	8,037	3,226
Weighted average number of ordinary shares in issue	68,100,097	48,434,483
Adjustments for: share options and warrants	1,829,827	2,156,205
Weighted average number of ordinary shares used for diluted earnings per share	69,929,924	50,590,688
Diluted earnings per share (pence per share)	11.5	6.4

13. Expenses by nature

	2008 £'000	2007 £'000
Other direct costs	20,474	53,075
Employee benefit expense (Note 14)	19,915	11,564
Depreciation (Note 16)	7,462	9,493
Other indirect costs	4,586	6,184
Changes in inventories of finished goods and work in progress	1,493	4,394
Total cost of sales and administrative expenses	53,930	84,710

14. Employee Benefit Expense

	2008 £'000	2007 £'000
Wages and salaries	17,424	10,081
Social security costs	1,597	1,096
Pension costs – defined benefit plans (Note 18)	454	387
Share-based payments (Note 24)	440	-
	19,915	11,564

The average monthly number of employees (excluding non-executive directors) was:

	2008 Number	2007 Number
Directors	2	2
Production and operations	419	291
Sales, marketing and distribution	15	8
Administration	134	76
	570	377

The increase in the average monthly number of employees during the year ended 31 March 2008 is due to the acquisition of various subsidiaries towards the end of the year.

15. Dividends

No dividend was paid during the year.

In respect of the year ended 31 March 2008, the directors recommend a final dividend of one pence per share which, if approved, will be paid on 26 September 2008 to eligible shareholders on the register at 29 August 2008.

16. Property, Plant and Equipment

Group	Leasehold land and buildings £'000	Leasehold improvements £'000	Fixtures and Fittings £'000	Equipment, plant and machinery £'000	Assets under long-term arrangements £'000	Total £'000
Cost						
At 1 April 2006	-	1,413	696	46,029	44,072	92,210
Additions	-	805	213	4,893	7,907	13,818
Disposals	-	(7)	-	(9,373)	(107)	(9,487)
Reclassification	-	172	(153)	4,247	(4,266)	-
On acquisition	-	38	15	769	-	822
At 31 March 2007	-	2,421	771	46,565	47,606	97,363
Additions	-	49	10	1,952	36,539	38,550
Disposals	-	-	-	(6,392)	(164)	(6,556)
On acquisition	1,200	150	617	887	-	2,854
Assets held for sale	-	-	-	(7,975)	-	(7,975)
Exchange differences	-	61	34	34	-	129
At 31 March 2008	1,200	2,681	1,432	35,071	83,981	124,365
Depreciation						
At 1 April 2006	-	169	397	25,975	12,349	38,890
Disposals	-	(7)	-	(2,197)	(105)	(2,309)
Charge for the period	-	135	66	5,415	3,877	9,493
On acquisition	-	13	6	435	-	454
At 31 March 2007	-	310	469	29,628	16,121	46,528
Disposals	-	-	-	(2,955)	(99)	(3,054)
Charge for the period	4	169	103	3,386	3,800	7,462
On acquisition	27	109	512	636	-	1,284
Assets held for sale	-	-	-	(4,605)	-	(4,605)
Exchange differences	-	7	12	4	-	23
At 31 March 2008	31	595	1,096	26,094	19,822	47,638
Net book amount						
At 31 March 2008	1,169	2,086	336	8,977	64,159	76,727
At 31 March 2007	-	2,111	302	16,937	31,485	50,835

Assets Held Under Long-Term Arrangements
Assets held 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 expense of £6.74 million (2007: £8.605 million) has been charged in cost of sales and £722,000 (2007: £888,000) in administrative expenses.

Security
Leasehold land and buildings with a carrying amount of £1.169 million (2007: £nil) have been pledged to secure borrowings of the Group (see Note 25) 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 (see Note 25) are secured by the lessors' title to the leased assets, which have a carrying amount of £6.633 million (2007: £10.531 million).

Assets under long-term arrangements include £64.159 million (2007: £31.485 million) in respect of assets secured by the lessor.

17. Intangible Assets

Group

	Goodwill £'000	Computer software and development costs £'000	Total £'000
Cost			
At 1 April 2006	34,327	8	34,335
Acquisitions	3,552	-	3,552
Accounting for the reverse acquisition	(3,233)	-	(3,233)
Reclassification from property, plant and equipment	-	41	41
At 31 March 2007	34,646	49	34,695
Acquisitions	**14,035**	**466**	**14,501**
Goodwill acquired with subsidiaries	**2,676**	**-**	**2,676**
Additions	**565**	**1,089**	**1,654**
At 31 March 2008	**51,922**	**1,604**	**53,526**
Amortisation			
At 1 April 2006	-	-	-
Charge	-	5	5
At 31 March 2007	-	5	5
Charge	-	**23**	**23**
At 31 March 2008	**-**	**28**	**28**
Net book Amount			
At 31 March 2008	**51,922**	**1,576**	**53,498**
At 31 March 2007	34,646	44	34,690

Goodwill

The main changes in the carrying amounts of goodwill result from a series of acquisitions during the year (see Note 32).

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	2008 £'000	2007 £'000
Emergency Support Services	43,507	34,646
Vehicle and Emergency Equipment	8,415	-
	51,922	34,646

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The discount rate used at 31 March 2008 was 6.75%. The growth rates are based on internal growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following five years based on an estimated growth rate of 5%. This rate does not exceed the average long-term growth rate for the relevant markets.

Emergency Support Services

No impairment of goodwill has been recognised in respect of emergency services as the two contracts to which the goodwill relates, those with the London Fire and Emergency Planning Authority and the Lincolnshire Fire and Rescue Service, continue to grow in terms of revenue and profitability through the provision of additional services and improved cost control. These two contracts have remaining lives of 13 years and 18 years respectively.

Vehicle and Emergency Equipment

No impairment of goodwill has been recognised within the Vehicle and Emergency Equipment CGU as the directors are confident that continuous improvement programmes which were implemented post-acquisition will improve the underlying performance of the acquired businesses. Synergies with existing Group companies are also anticipated.

Computer Software

In accordance with IAS 38, "Intangible Assets" computer software has been classified as an intangible asset.

Intangible assets recognised in respect of computer software costs are not internally generated and are considered to have finite lives of three years, the period over which the asset is amortised. The amortisation charge is included within administrative expenses in the income statement.

18. Retirement Benefit Obligations

The AssetCo Pension Scheme

The AssetCo Pension Scheme (formerly The Brook Henderson Pension Scheme) commenced on 11 October 2003 as a defined benefit pension scheme based in the United Kingdom. The assets of the scheme are administered by trustees in a fund independent from those of the Group. The last full actuarial valuation was carried out as at 31 March 2008 and showed a surplus of £2.048 million.

Todd Research Limited Retirement Benefits Scheme

The Todd Research Limited Retirement Benefits Scheme was originally established for the benefit of certain employees based in the United Kingdom. The defined benefit scheme is now closed to new members and the Group has agreed to make additional contributions over the next ten years in order to meet the expected obligations of the scheme. The assets of the scheme are administered by trustees in a fund independent from those of the Group. The last full actuarial valuation was carried out as at 31 March 2007 and showed a deficit of £42,000. The scheme was fully funded during the year which eliminated the deficit at 31 March 2008.

The information set out below is in respect of both The AssetCo Pension Scheme and the Todd Research Limited Retirement Benefit Scheme.

Balance sheet surplus/(obligations) for:	Group 2008 £'000	Group 2007 £'000
Retirement benefits – surplus	429	329
Retirement benefits – deficit	-	(42)
	429	287

Income statement credit for:	Group 2008 £'000	Group 2007 £'000
Retirement benefits	(100)	(101)

The amounts recognised in the balance sheet are determined as follows:

	Group 2008 £'000	Group 2007 £'000
Fair value of plan assets	**6,424**	6,010
Present value of funded obligations	**(4,376)**	(5,723)
Present value of over-funded obligations	**2,048**	287
Unrecognised actuarial gains	**(1,619)**	-
Asset in the balance sheet	**429**	287

The unrecognised actuarial gains are to be deferred over the estimated working lives of the members of The AssetCo Pension Scheme.

The movement in the fair value of scheme assets of the year is as follows:

	Group 2008 £'000	Group 2007 £'000
Beginning of year	**6,010**	4,740
Expected return on plan assets	**349**	304
Actuarial losses	**(464)**	(138)
Employer contributions	**537**	597
Employee contributions	**61**	73
Benefits paid	**(69)**	-
Scheme costs	**-**	(18)
Acquisition of a subsidiary (Note 39)	**-**	452
End of year	**6,424**	6,010

The movement in the fair value of defined benefit obligation over the year is as follows:	Group 2008 £'000	Group 2007 £'000
Beginning of year	(5,723)	(4,208)
Current service cost	(598)	(558)
Interest cost	(305)	(234)
Contributions by members	(61)	(73)
Actuarial losses	(161)	(138)
Benefits paid	69	-
Additional contribution by employer	42	-
Change of assumptions	2,361	-
Scheme expenses	-	(18)
Acquisition of a subsidiary (Note 39)	-	(494)
End of year	(4,376)	(5,723)

The amounts recognised in the income statement are as follows:	Group 2008 £'000	Group 2007 £'000
Current service cost	598	558
Interest cost	305	234
Expected return on plan assets	(349)	(304)
Net actuarial gains recognised during the year	(100)	(101)
Total	454	387

Of the total, £454,000 (2007: £387,000) has been included in staff costs within administrative expenses.

The actual return on plan assets was a loss of £115,000 (2007: loss £475,000).

The estimated contributions expected to be paid to the two schemes during the current financial year is approximately £400,000.

The principal actuarial assumptions used were as follows:	2008 %	2007 %
Discount rate	6.3	5.3 - 5.4
Expected return on plan assets	6.5	6.5
Future salary increases	2.25	3.1 – 3.3
Future pension increases	2.1 – 2.75	3.1
Inflation	2.75	3.1 – 3.3

A range of assumptions is quoted for the year ended 31 March 2007 as the actuarial valuations for the two schemes were undertaken by two different actuaries.

Mortality Rate

Assumptions regarding future mortality experience are set based on advice, published statistics and experience.

The average life expectancy of a pensioner retiring at age 60 on the balance sheet date, is estimated using the following industry-standard mortality tables:

	2008	2007
Male	PMA92	PMA92
Female	PFA92	PFA92

The average life expectancy in years of a pensioner retiring at age 60 twenty years after the balance sheet date, is estimated using the following industry-standard mortality tables:

	2008	2007
Male	PMA92	PMA92
Female	PFA92	PFA92

The analysis of the assets of the two schemes and the expected rate of return at the balance sheet date was as follows:

	Expected Return		Fair Value of Assets	
	2008	2007	2008	2007
	%	%	£'000	£'000
Equities	7.5	7.8	3,318	3,061
Government bonds	4.5	5.1	1,584	1,455
Corporate bonds	6.3	5.1	1,522	1,393
Cash and cash equivalents	-	-	-	101
	6.5	7.1	6,424	6,010

The overall expected rate of return is determined based on past experience and expectations regarding future market conditions.

19. Inventories

	Group 2008 £'000	Group 2007 £'000
Raw materials and consumables	1 ,941	2,220
Finished goods and goods for resale	6,107	2,015
	8,048	4,235

The cost of inventories recognised as an expense and included in cost of sales amounted to £21.967 million (2007: £57.47 million).

Inventories with a carrying amount of £8.048 million (2007: £4.235 million) have been pledged as security for some of the Group's bank loans.

20. Trade and Other Receivables

	Group 2008 £'000	Group 2007 £'000
Trade receivables	14,664	10,350
Less: provision for impairment of receivables	(273)	(477)
Trade receivables – after provision	14,391	9,873
Other debtors	969	573
Prepayments and accrued income	6,013	3,606
Corporation tax recoverable	140	-
	21,513	14,052

The Group had an insignificant concentration of credit risk at the balance sheet date with five (2007: five) of its largest customers accounting for 26% (2007: 32%) of trade receivables at 31 March 2008. The Group has long-standing relationships with two of these customers through long-term contracts, and the majority of outstanding balances at the balance sheet date have been subsequently received.

The Group has provided fully for all receivables that are considered to be doubtful based on the difference between the carrying amount and the present value of estimated future cash flows determined by reference to past experience, the ageing of the debt and the financial standing of the customer.

Prior to conducting business with a new customer, appropriate credit checks are undertaken with a reputable international credit reference agency.

There are no significant balances that are past due but not impaired.

The movement in the provision for impairment of trade receivables is as follows:

	Group 2008 £'000	Group 2007 £'000
At the beginning of the year	477	332
Impairment losses recognised	51	477
Amounts written off as uncollectible	(195)	(20)
Amounts recovered during the year	(60)	(312)
At the end of the year	273	477

The ageing of impaired trade receivables is as follows

	Group 2008 £'000	Group 2007 £'000
60 – 90 days	21	477
90 – 120 days	252	-
Total	273	477

There is no impairment in respect of other receivables.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

21. Cash and Cash Equivalents

	Group 2008 £'000	Group 2007 £'000
Cash at bank and on hand	4,219	1,261
Short-term bank deposits	8,677	8,970
	12,896	10,231

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Group 2008 £'000	Group 2007 £'000
Cash and cash equivalents	12,896	10,231
Bank overdrafts	(12,502)	(7,613)
	394	2,618

At 31 March 2008, the cash at bank and short-term deposits were held with nine different international banks (2007: nine). Financial assets are placed with banks at floating rates over periods ranging from overnight to three months depending upon forecast cash flow movements and earn interest at prevailing rates in the money market.

22. Assets Held for Sale

On 29 April 2008, the Group disposed of its interest of certain non-core assets and associated liabilities in respect of its contract with Northern Ireland Electricity for the provision of contract hire services. The Board resolved to dispose of these assets and liabilities prior to the balance sheet date and, consequently, these have been classified as a disposal group held for sale and presented separately in the balance sheet. The operations are included within the non emergency segment in Note 5. The proceeds of disposal exceed the book value of the related assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	Group 2008 £'000
Property, plant and equipment	3,370
Total assets classified as held for sale	3,370
Finance lease liabilities	3,119
Total liabilities associated with assets classified as held for sale	3,119
Net assets of disposal group	251

Amounts included in the income statement in respect of discontinued operations are given in Note 29.

During the year, the Northern Ireland Electricity contract contributed £0.826 million (2007: £1.099 million) to the Group's net operating cash flows, paid £41,000 (2007: £704,000) in respect of investing activities and paid £0.142 million (2007: £0.171 million) in respect of financing activities.

23. Derivative Financial Instruments

Interest Rate Swaps

At 31 March 2008, two interest rate swap arrangements were in place covering loans of £47.1 million at a fixed rate of 5.795% payable monthly and £8.8 million at a fixed rate of 5.78% payable monthly (2007: nil). The termination dates of the swap arrangements are 31 March 2021 and 19 April 2026 respectively.

The fair value of the swap arrangements at 31 March 2008 were £2.19 million (2007: £nil) giving rise to a hedging reserve of £2.19 million. A deferred tax liability of £613,000 has been reflected in the hedging reserve.

These amounts are based on market values of equivalent instruments at the balance sheet date. The interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been taken to the hedging reserve.

24. Share Capital

	Number of Shares	Ordinary Shares £'000	Share Premium £'000	Total £'000
At 1 April 2006	100,000	100	2,971	3,071
Accounting for the reverse acquisition (see Note 39)	67,098,699	16,700	14,919	31,619
At 31 March 2007	67,198,699	16,800	17,890	34,690
Proceeds from shares issued	4,633,855	1,158	7,307	8,465
At 31 March 2008	**71,832,554**	**17,958**	**25,197**	**43,155**

The total authorised number of ordinary shares is 95,000,000 (2007: 95,000,000) with a nominal value of 25 pence per share (2007: 25 pence per share). All issued shares are ordinary shares, fully paid and carry one vote each.

There are no shares held by the Company, nor its subsidiaries, associate and joint ventures.

During the year, 60,000 shares were issued on exercise of certain options over the Company's shares.

In addition, the Company issued 1,213,923 shares in part consideration for two acquisitions during the year.

On 7 February 2008, a further 3,359,932 shares were issued for cash consideration of £6,316,672.

The disclosures above in respect of share capital and share premium all relate to AssetCo plc, the legal parent as, under reverse acquisition accounting, the equity structure should reflect the legal parent.

Share Premium

Transaction costs of £161,417 have been deducted from the share premium account following the issue of shares on 7 February 2008.

Share-based Payments

The charge for the year in respect of share-based payments, comprising share options and warrants, is £440,000 (2007: £nil).

a) Share Options

Share options are granted to directors and to selected employees. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31 March 2008		31 March 2007	
	Average Exercise Price £ per share	Options	Average Exercise Price £ per share	Options
At 1 April	**1.36**	**1,736,205**	-	-
Granted	**2.68**	**689,500**	1.36	1,736,205
Exercised	**2.14**	**(60,000)**	-	-
Forfeited	**1.69**	**(521,378)**	-	-
Lapsed	**1.36**	**(25,000)**	-	-
At 31 March	**1.77**	**1,819,327**	1.36	1,736,205

Out of the 1,819,327 outstanding options (2007: 1,736,205), 290,000 (2007: 355,000) were exercisable. Options exercised in 2008 resulted in 60,000 shares (2007: nil) being issued at £1 each. The related weighted average share price at the time of exercise was £2.14 (2007: £nil) per share. The related transaction costs amounting to £1,271 (2007: £nil) have been netted off with the proceeds received.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry Date	Exercise price £ per share	Shares 31.3.08	Shares 31.3.07
4 December 2013	1.00	**290,000**	290,000
10 December 2013	1.00	**-**	65,000
29 March 2017	1.45	**919,827**	1,381,205
30 July 2017	2.30	**185,000**	-
30 July 2007	3.00	**260,000**	-
22 November 2017	2.30	**100,000**	-
22 November 2017	3.00	**40,000**	-
28 November 2017	2.04	**24,500**	-
		1,819,327	1,736,205

The weighted average fair value of the options and share warrants granted during the period determined using the Black-Scholes valuation model was £0.20 per option. The significant inputs into the model were a weighted average share price of £1.64 (2007:

£1.43) at the grant date, the exercise price shown above, volatility of 26% (2007: 28%), an expected option life as above, and an annual risk-free interest rate of 4.42% (2007: 5.75%). The volatility is based on statistical analysis of daily share prices over the past year.

b) Warrants

A total of 420,000 warrants were granted to directors and senior employees on 12 December 2003 following the listing of Asfare Group plc on the Alternative Investment Market of the London Stock Exchange.

The Group has no legal or constructive obligation to repurchase or settle the warrants in cash. The warrants have an exercise price of £1.25 and can be exercised between 12 December 2003 and 11 December 2008 at a ratio of one ordinary share per warrant.

All 420,000 warrants remain outstanding at 31 March 2008. No warrants were issued during the year.

25. Borrowings

	Group 2008 £'000	Group 2007 £'000
Non-Current		
Bank borrowings	**18,961**	20,157
Finance lease liabilities	**50,002**	29,606
Other loans	**1,007**	-
	69,970	49,763

	Group 2008 £'000	Group 2007 £'000
Current		
Bank overdrafts	**12,502**	7,613
Bank borrowings	**5,989**	2,046
Finance lease liabilities	**8,084**	4,106
Other loans	**250**	-
	26,825	13,765
Total Borrowings	**96,795**	63,528

Total borrowings include secured liabilities of £96.795 million (2007: £63.528 million). The Group's bank loans and overdrafts are secured by a debenture over the assets of the Group.

Finance lease liabilities principally relate to assets provided to customers under long term arrangements.

The repayment dates of the Group's borrowings are as follows:

	Group 2008 £'000	Group 2007 £'000
Less than one year	**26,825**	13,765
One to two years	**9,169**	6,193
Two to five years	**32,944**	24,553
After five years	**27,857**	19,017
	96,795	63,528

Bank Borrowings

Bank borrowings mature until November 2016.

Details of the Group's bank borrowings at 31 March 2008 are summarised as follows:

Date	Initial loan	Term	Rate
August 2007	£4 million	1 year	2% over base
November 2007	£16 million	9 years	1.75% over 1-month Libor
November 2007	£5 million	41 months	2% over 1-month Libor
November 2007	£4.5 million	1 year	2% over 1-month Libor
January 2008	£1.5 million	5 years	1.6% over 3-month Libor

At 31 March 2007, the Group had three principal loans with two different financial institutions. Loans of £16 million and £5 million were repayable over 10 years and 4 years respectively at a rate of 2% over 3-month Libor. A further loan of £1.203 million was repayable by December 2008 at a rate of 2% over Libor.

The fair value of the non-current borrowings is as follows:

	Group 2008 £'000	Group 2007 £'000
Bank borrowings	**18,961**	20,157
Finance lease liabilities	**50,002**	29,606
Other loans	**1,007**	-
	69,970	49,763

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.5% (2007: 6.75%).

The carrying amounts of short-term borrowings approximate their fair value.

Of the Group's total borrowings, the equivalent of £41,000 is denominated in euros (2007: £69,000).

The facilities expiring within one year are annual facilities subject to review at various dates during 2008. The other facilities have been arranged to help finance the ongoing build programme for the London Fire and Emergency Planning Authority and the Lincolnshire Fire and Rescue Service.

Finance Lease Liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Minimum lease payments under finance lease liabilities are as follows:	**Group 2008 £'000**	Group 2007 £'000
No later than 1 year	**11,287**	8,334
Later than 1 year and no later than 5 years	**37,016**	28,673
Later than 5 years	**25,834**	11,114
	74,137	48,121
Future finance charges on finance leases	**(16,051)**	(14,409)
Present value of minimum lease payments	**58,086**	33,712

Finance lease liabilities are secured by a first and only debenture from the Company and a subsidiary undertaking and first and only chattel mortgage over the assets of one of the Group companies.

The present value of finance lease liabilities is as follows:	**Group 2008 £'000**	Group 2007 £'000
No later than 1 year	**8,084**	4,106
Later than 1 year and no later than 5 years	**28,344**	16,359
Later than 5 years	**21,658**	13,247
	58,086	33,712

The average lease term is 4 years. For the year ended 31 March 2008, the average effective borrowing rate on leases was 6.75% (2007: 7%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

26. Deferred Tax

Deferred Tax Liabilities

Group	Accelerated Tax Depreciation	Other £'000	Tax Losses £'000	Total £'000
At 1 April 2006	1,513	-	(215)	1,298
Charged/(credited) to the income statement	1,933	-	207	2,140
At 31 March 2007	3,446	-	(8)	3,438
Charged/(credited) to the income statement	2,029	-	(127)	1,902
Arising on Acquisition	-	-	8	8
Arising on derivative financial instruments	-	613	-	613
Deferred tax liability at 31 March 2008	5,475	613	(127)	5,961

Deferred Tax Assets

Group	Accelerated Tax Depreciation	Other Short Term Timing Differences £'000	Tax Losses £'000	Total £'000
At 1 April 2006	(213)	-	(237)	(450)
Charged/(credited) to the income statement	64	(56)	175	183
At 31 March 2007	(149)	(56)	(62)	(267)
Charged/(credited) to the income statement	(803)	26	404	(373)
Arising on Acquisition	-	-	(1,177)	(1,177)
Deferred tax asset at 31 March 2008	(952)	(30)	(835)	(1,817)

27. Trade and Other Payables

	Group 2008 £'000	Group 2007 £'000
Trade payables	12,792	9,929
Social security and other taxes	2,892	630
Other creditors	2,507	4,955
Accruals and deferred income	4,507	5,502
Deferred consideration	5,173	-
	27,871	21,016

28. Provisions

Group	Total £'000
At 1 March 2007	-
Charge for the period	1,549
At 31 March 2008	1,549

Restructuring

Following the acquisition of various companies during the year, as detailed in Note 32 to these financial statements, and the implementation of a restructuring programme, a provision of £1.549 million has been established. The provision covers anticipated redundancy costs of approximately £1.324 million and other direct costs attributable to the restructuring, including lease termination costs.

The first employees affected by the restructuring programme left the employment of the Group during April 2008 with the remainder expected to leave by September 2008.

29. Investments

Details of Group companies can be found in Note 30 to the financial statements.

Disposals

On 10 March 2008, the Group disposed of its interests in AssetCo (Ireland) Limited, AssetCo Management Limited, Star Rentals Limited and Irish Truck Rental Limited (together "Star Rentals") for consideration of £1.585 million. The transaction resulted in a profit on disposal of £1 million. The net assets of the four companies at the date of the disposal and at 31 March 2007 were as follows:

	10 March 2008 £'000	2007 £'000
Property, plant and equipment	585	612
Cash and cash equivalents	-	20
Borrowings	-	(348)
Net assets	585	284
Profit on disposal (note 9)	1,000	
Total consideration	1,585	

Total consideration comprises £1.585 million of cash of which £685,000 is deferred. Of the deferred consideration, £185,000 will be settled by the purchaser on 10 March 2009 and £500,000 on 10 March 2010.

During the year, Star Rentals contributed £360,000 (2007: £430,000) to the Group's net operating cash flows, paid £12,000 (2007: £54,000) in respect of investing activities and paid £203,000 (2007: £179,000) in respect of financing activities.

Discontinued operations

Discontinued operations include activities relating to the disposal of Star Rentals as well as operations associated with the assets held for sale (Note 22). The results of the discontinued operations which have been included in the income statement were as follows:

	2008 £'000	2007 £'000
Revenue	3,221	3,478
Expenses	(2,765)	(2,377)
Profit before tax	456	1,101
Attributable tax expense	-	-
Net profit after tax	456	1,101

The effect of discontinued operations on segment results is disclosed in Note 5 to the financial statements.

Investment in Associate

On 26 November 2007, the Group acquired 25% of the issued share capital of Miquest Limited, a company which provides integrated solutions for asset management, for consideration of £414,000. Miquest Limited was incorporated in England and Wales.

Group	Investment in Associate £'000
At 1 April 2007	-
Cost of investment	414
At 31 March 2008	414

Investment in associates at 31 March 2008 includes goodwill of £472,000.

The Group's share of the results of its associate, which is unlisted, and its share of the assets, including goodwill, and liabilities, is as follows:

Group	Assets £'000	Liabilities £'000	Revenue £'000	Profit £'000	Interest %
Miquest Limited	129	20	192	48	25

No profit has been recognised in the consolidated financial statements.

Interests in joint Ventures

The Group has a 50% interest in two joint ventures, ADATT Limited, which undertakes vehicle conversions, and AssetCo Multipart Limited which has been established as part of the New Dimensions tender process. The following amounts represent the Group's 50% share of the assets and liabilities, and sales and results of the joint ventures. Due to their immateriality to the financial statements, no amounts are included in the balance sheet and income statement.

	Group 2008 £'000	Group 2007 £'000
Assets		
Current assets	851	794
Liabilities		
Current liabilities	846	792
Net Assets	5	2
Income	5,459	5,214
Expenses	(5,456)	(5,214)
Profit before Tax	3	-

There are no contingent liabilities relating to the Group's interests in the joint ventures, and no contingent liabilities of the ventures themselves.

30. Group undertakings

The accounting parent company, AssetCo Group Limited has a controlling interest through shares, directly or indirectly, in the following group undertakings:

		Percentage of Shares Held			
Subsidiary	**Country of Incorporation**	**Group**	**Company**	**Shares Held**	**Nature of Business**
Emergency Support Services					
AssetCo Emergency Ltd.	England & Wales	100%	100%	Ordinary	Holding company
AssetCo Engineering Limited	England & Wales	100%	-	Ordinary	Management of emergency equipment
AssetCo Lincoln Limited	N. Ireland	100%	-	Ordinary	Emergency managed services
AssetCo London Limited	England & Wales	100%	-	Ordinary	Emergency managed services

Subsidiary	Country of Incorporation	Percentage of Shares Held: Group	Percentage of Shares Held: Company	Shares Held	Nature of Business
Auto Electrical Services (Manchester) Limited	England & Wales	100%	-	Ordinary	Electrical and communications systems
MFlow Limited	England & Wales	100%	-	Ordinary	Electrical and communications systems
Vehicle and Emergency Equipment Services					
AS America Inc	USA	100%	-	Common	Shutter sales
AS Fire and Rescue Equipment Limited	England & Wales	100%	-	Ordinary	Manufacture and distribution of safety equipment
AS Security BV	The Netherlands	100%	-	Ordinary	Sales
AssetCo Emergency Equipment Limited	England & Wales	87%	87%	Ordinary	Holding company
AssetCo Managed Services Limited	England & Wales	100%	100%	Ordinary	Fleet management services and vehicle leasing
AssetCo Municipal Limited	England & Wales	100%	100%	Ordinary	Fleet and management services
AssetCo Specialist Equipment Limited	England & Wales	80%	-	Ordinary	Holding company
AssetCo Specialist Vehicles Limited	England & Wales	100%	-	Ordinary	Holding company
AssetCo SVO Limited	England & Wales	100%	-	Ordinary	Assembly of emergency equipment
Blue Amber Red Limited	England & Wales	100%	100%	Ordinary	Provision of specialist lighting equipment

		Percentage of Shares Held			
Subsidiary	**Country of Incorporation**	**Group**	**Company**	**Shares Held**	**Nature of Business**
Fire Safety Equipment Limited	England & Wales	100%	100%	Ordinary	Distribution of safety and cutting equipment
Papworth Specialist Vehicles Limited	England & Wales	100%	-	Ordinary	Assembly of emergency equipment
Speed 5019 Limited	England & Wales	100%	-	Ordinary	Holding company
Stapleton Assets Limited	England & Wales	100%	-	Ordinary	Property
Todd Research Limited	England & Wales	100%	-	Ordinary	Manufacture and distribution of security equipment
TVAC – The Vehicle Application Centre Limited	England & Wales	100%	-	Ordinary	Assembly of specialist vehicles
UV Modular Limited	England & Wales	100%	-	Ordinary	Assembly of specialist vehicles
Emergency Resource					
AssetCo Resource Limited	England & Wales	100%	100%	Ordinary	Human resources consultancy
RIG Systems Limited	England & Wales	100%	-	Ordinary	Specialist training provider
Simentra Limited	N. Ireland	100%	100%	Ordinary	Security consultancy
Business Support Services					
AssetCo Managed Services (ROI) Limited	Republic of Ireland	100%	100%	Ordinary	Business support services
Dormant Companies					
Asfare No.1 Limited	England & Wales	100%	-	Ordinary	Dormant

		Percentage of Shares Held			
Subsidiary	**Country of Incorporation**	**Group**	**Company**	**Shares Held**	**Nature of Business**
AssetCo Contracts Ltd	N. Ireland	100%	-	Ordinary	Dormant
AssetCo Servicecare Limited	N. Ireland	100%	-	Ordinary	Dormant
AssetCo Solutions Limited	N. Ireland	100%	-	Ordinary	Dormant
Fire Guns Limited	England & Wales	100%	-	Ordinary	Dormant
Sacol Group 1990 Limited	England & Wales	100%	-	Ordinary	Dormant
Specialist Vehicle Concepts Limited	England & Wales	100%	-	Ordinary	Dormant
TVAC Blue Light Services Limited	England & Wales	100%	-	Ordinary	Dormant
TVAC Blue Light Limited	England & Wales	100%	-	Ordinary	Dormant
TVAC Special Engineering Limited	England & Wales	100%	-	Ordinary	Dormant
TVAC Limited	England & Wales	100%	-	Ordinary	Dormant

Details of the Group's investments in associates and interests in joint ventures are given in Note 29 to these financial statements.

The percentage of shares held equates to voting rights for all of the subsidiaries listed above.

Since the balance sheet date, an application has been made to dissolve TVAC Limited, TVAC Blue Light Limited, TVAC Blue Light Services Limited and TVAC Special Engineering Limited.

31. Reconciliation of profit before tax to net cash generated from operations

	2008 £'000	2007 £'000
Profit before Taxation	**9,897**	5,437
Adjustments for:		
Depreciation	**7,462**	9,493
Amortisation	**23**	-
Profit on disposal of property, plant and equipment	**(16)**	(138)
Profit on disposal of subsidiary undertakings	**(1,000)**	-
Increase in share-based payments	**440**	-
Increase in restructuring provision	**1,549**	-
Decrease in retirement benefit obligations	**(142)**	(59)
Finance income	**(429)**	(3,379)
Finance costs	**5,373**	5,099
Changes in Working Capital (excluding the effects of acquisitions)		
Inventories	**1,493**	4,394
Trade and other receivables	**452**	33,307
Trade and other payables	**(10,979)**	(39,017)
Cash Generated from Operations	**14,123**	15,137

32. Business Combinations

During the year, the Group completed six acquisitions.

In all cases, 100% of votes have been acquired.

a) Simentra

On 16 April 2007, the Group acquired 100% of the issued share capital of Simentra Limited for consideration of £450,000. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Fair value adjustments £'000	Fair value £'000
Property, plant and equipment	1	-	1
Cash and cash equivalents	10	-	10
Trade and other payables	(67)	-	(67)
Net liabilities	(56)	-	(56)
Goodwill			506
Total consideration			450

The information set out on page 93 in respect of the acquisition of Simentra Limited is different from that published in the Group's interim report for the six months ended 30 September 2007 as the initial accounting was determined provisionally.

The Group invested in this business seeking to benefit from business relationships, particularly in the Middle East, that were non-contractual at the time of acquisition.

The loss recognised in the consolidated income statement in respect of Simentra Limited is £40,000.

b) Blue Amber Red

On 14 June 2007, the Group acquired 100% of the issued share capital of Blue Amber Red Limited for consideration of £2. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Fair value adjustments £'000	Fair value £'000
Property, plant and equipment	39	(5)	34
Inventories	64	-	64
Trade and other receivables	26	(26)	-
Cash and cash equivalents	24	(7)	17
Trade and other payables	(141)	29	(112)
Net assets	12	(9)	3
Goodwill			(3)
Total consideration			-

The information set out in respect of the acquisition of Blue Amber Red Limited is different from that published in the Group's interim report for the six months ended 30 September 2007 as the initial accounting was determined provisionally.

The profit recognised in the consolidated income statement in respect of Blue Amber Red Limited is £27,000.

c) AES and MFlow

On 23 November 2007, the Group acquired 100% of the issued share capital of Auto Electrical Services (Manchester) Limited and MFlow Limited for total consideration of £2.2 million, of which £1.25 million was payable in cash on completion and £950,000 to be settled through the issue of shares. Deferred consideration of up to £1.8 million is payable. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
Other intangible assets	217	(130)	87
Property, plant and equipment	80	-	80
Inventories	293	-	293
Trade and other receivables	1,304	-	1,304
Cash and cash equivalents	1	-	1
Trade and other payables	(1,183)	-	(1,183)
Borrowings	(31)	-	(31)
Net assets	681	(130)	551
Goodwill			3,623
Consideration			3,873
Acquisition costs			301
Total consideration			4,174

The Group invested in the business seeking to benefit from innovative products currently under development.

The profit recognised in the consolidated income statement in respect of the AES Group is £522,000.

The initial accounting for the acquisition has been determined provisionally pending a fair value review of the acquisition balance sheet.

d) TVAC

On 22 December 2007, the Group acquired 100% of the issued share capital of TVAC – The Vehicle Application Centre Limited ("TVAC"), Stapleton Assets Limited and four dormant subsidiaries, for initial consideration of £2.08 million of which £780,000 was payable in cash on completion and £1.3 million to be settled through the issue of shares. Deferred consideration of up to £6.87 million is payable. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
Property, plant and equipment	1,240	-	1,240
Inventories	2,073	-	2,073
Trade and other receivables	4,775	11	4,786
Cash and cash equivalents	2	-	2
Trade and other payables	(5,675)	-	(5,675)
Borrowings	(2,970)	-	(2,970)
Deferred tax asset recognised on acquisition	-	673	673
Net assets	(555)	684	129
Goodwill			4,888
Consideration			4,673
Acquisition costs			344
Total consideration			5,017

The Group invested in the business seeking to benefit from synergies with existing Group companies and exclusive distributorship arrangements.

The profit recognised in the consolidated income statement in respect of TVAC is £459,000.

The initial accounting for the acquisition has been determined provisionally pending a fair value review of the acquisition balance sheet.

e) UVM

On 22 December 2007, the Group acquired 100% of the issued share capital of UV Modular Limited ("UVM") and its dormant subsidiary, Specialist Vehicle Concepts Limited, for initial consideration of £700,000 payable in cash. Deferred consideration of up to £800,000 is payable. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Provisional fair value adjustments £'000	Provisional Fair value £'000
Intangible assets	379	-	379
Goodwill	2,676	-	2,676
Property, plant and equipment	162	-	162
Inventories	2,876	-	2,876
Trade and other receivables	2,117	(161)	1,956
Trade and other payables	(5,576)	-	(5,576)
Borrowings	(5,494)	-	(5,494)
Deferred tax asset recognised on acquisition	-	504	504
Net assets	(2,860)	343	(2,517)
Goodwill			3,467
Consideration			700
Acquisition costs			250
Total consideration			950

The Group invested in the business seeking to benefit from synergies with existing Group companies.

The profit recognised in the consolidated income statement in respect of UVM is £181,000.

The initial accounting for the acquisition has been determined provisionally pending a fair value review of the acquisition balance sheet.

f) RIG

On 7 March 2008, the Group acquired 100% of the issued share capital of RIG Systems Limited ("RIG") for initial consideration of £1.095 million payable in cash. Deferred consideration of up to £939,000 is payable through a combination of cash and shares. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Fair value adjustments £'000	Fair value £'000
Property, plant and equipment	53	-	53
Cash and cash equivalents	230	-	230
Trade and other receivables	118	-	118
Trade and other payables	(48)	-	(48)
Net assets	353	-	353
Goodwill			1,554
Total consideration			1,907

The Group invested in the business as part of its strategy to widen its offering to the emergency services market.

The profit recognised in the consolidated income statement in respect of RIG is £nil.

The initial accounting for the acquisition has been determined provisionally pending a fair value review of the acquisition balance sheet.

All Business Combinations

Had the business combinations described above occurred at the start of the financial year, Group revenues for the year would have been £93.986 million and the Group profit attributable to equity holders of the parent company would have been £6.586 million.

33. Events after the balance sheet date

On 27 May 2008, the Board recommended a final dividend for the year to 31 March 2008 of one pence per share (2007: nil).

In April 2008, the Group disposed of its interests in the Northern Ireland Electricity contract hire business.

34. Related Party Transactions

Related parties comprise the Company's shareholders, subsidiaries, associated companies, joint ventures, other entities over which the shareholders of the Group have the ability to control or exercise significant influence over their financial and operating decisions and key management personnel. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During the year, the Group entered into the following significant transactions with related parties at prices and on terms agreed between the related parties:

Key management compensation
(excluding non-executive directors)

	2008 £'000	2007 £'000
Group		
Salaries and other short-term employee benefits	1,173	1,214
Post employment benefits	25	25
	1,198	1,239

Amounts due to Related Parties

	2008 £'000	2007 £'000
Group		
Directors' loan accounts	1,837	1,241
Graphic Traffic Limited	-	8
	1,837	1,249

Graphic Traffic Limited is a related party due to John Shannon being a common director. During the year, the Group made purchases of £119,000 (2007: £145,000) from this company.

35. Commitments

Capital Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2008 £'000	2007 £'000
Group		
Capital expenditure	-	-

Operating Commitments

The Group leases various assets under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2008 £'000	2007 £'000
Within one year	1,660	1,322
Within two to five years	6,676	4,996
After five years	595	595
	8,931	6,913

36. Capital Management Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group monitors capital on the basis of the carrying amount of the equity less cash and cash equivalents as presented on the face of the balance sheet.

The movement in the capital to overall financial ratio is shown below.

The Group manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the level of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	2008 £'000	2007 £'000
Equity	45,277	26,402
Less: cash and cash equivalents	(12,896)	(10,231)
Capital	32,381	16,171

	2008 £'000	2007 £'000
Equity	45,277	26,402
Borrowings	96,795	63,528
Overall Financing	142,072	89,930
Capital to overall financing	23%	18%

37. Parent company

The financial statements of the legal parent company, AssetCo plc, can be found on in a separate section of the Annual Report.

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in the parent company financial statements. The loss of the Company for the year was £0.736 million (2007: profit £1.432 million).

38. Ultimate Controlling Party

The Company is listed on the Alternative Investment Market of the London Stock Exchange. The Company is not under the control of any one individual. Significant holdings in the shares of the Company are disclosed in the Report of the Directors.

39. First time adoption of International Financial Reporting Standards

For all periods up to and including the year ended 31 March 2007, the Group prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

These financial statements, for the year ended 31 March 2008, are the first that the Group is required to prepare that are compliant with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

In preparing these financial statements, the Group has started from an opening balance sheet as at 1 April 2006, the Group's date of transition to IFRSs, and made those changes in accounting policies and other restatements required by IFRS 1 for the first-time adoption of IFRSs.

This note explains the principal adjustments made by the Group in re-stating its UK GAAP balance sheet as at 1 April 2006 and its previously published UK GAAP financial statements for the year ended 31 March 2007.

Exemptions Applied

IFRS 1 provides a number of optional exemptions to the general principles of full retrospective application of IFRSs. The Group has elected to take advantage of the following optional exemptions.

Business Combinations

IFRS 3, "Business Combinations", has not been applied to acquisitions of subsidiaries or of interests in joint ventures that occurred before 1 April 2006.

Employee benefit Schemes

The Group has elected to recognise all cumulative actuarial gains and losses in relation to employee benefit schemes at the date of transition.

Reconciliation of Equity at 1 April 2006

	UK GAAP £'000	Note A £'000	Note B £'000	IFRSs £'000
Non-Current Assets				
Property, plant and equipment	53,320	(8)	-	53,312
Goodwill	34,327	-	-	34,327
Other intangible assets	-	8	-	8
Retirement benefit surplus	-	228	-	228
Current Assets				
Inventories	8,629	-	-	8,629
Trade and other receivables	47,587	(228)	-	47,359
Cash and cash equivalents	2,223	-	-	2,223
Current Liabilities				
Trade and other payables	(60,033)	-	-	(60,033)
Current income tax liabilities	(113)	-	-	(113)
Borrowings	(6,354)	-	-	(6,354)
Shares classified as financial liabilities	(10,000)	-	1,667	(8,333)
Non-Current Liabilities				
Borrowings	(64,514)	-	-	(64,514)
Deferred tax liabilities	(1,814)	-	-	(1,814)
Net Assets	3,258	-	1,667	4,925
Equity				
Share capital	100	-	-	100
Share premium account	2,971	-	-	2,971
Profit and loss account	187	-	1,667	1,854
Total equity	3,258	-	1,667	4,925

Notes

(A) Under UK GAAP, software costs were included within tangible fixed assets. Under IAS 38, "Intangible Assets", computer software requires separate disclosure on the face of the balance sheet as an intangible asset. The effect of this balance sheet reclassification is to move software costs with a net book amount of £8,000 from property, plant and equipment to other intangible assets.

Also under UK GAAP, surpluses and deficits in relation to pension schemes were classified within other debtors or other creditors respectively. Under IAS 19, "Employee Benefits", separate disclosure is required on the face of the balance sheet. The effect of this balance sheet reclassification is to move £228,000 from trade and other receivables and show this amount separately within non-current assets.

(B) In accordance with IAS 39, "Financial Instruments: Recognition and Measurement", a financial liability is required to be measured initially at fair value. At the date of transition to IFRSs, the fair value of the shares classified as financial liabilities has been calculated to be £8.333 million instead of the £10 million recorded under UK GAAP. An adjustment of £1.667 million has therefore been reflected in reserves and shares classified as financial liabilities.

Goodwill was reviewed for impairment at date of transition to IFRSs and no adjustment to the carrying amount was deemed to be necessary. The amortisation of goodwill arising prior to the date of transition to IRFSs has been netted with the cost of the goodwill.

Reconciliation of Equity at 31 March 2007

		Note				
	UK GAAP	A	B	C	D	IFRS
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Property, plant and equipment	50,879	-	-	(44)	-	50,835
Goodwill	112,123	(76,290)	2,070	-	(3,257)	34,646
Other intangible assets	-	-	-	44	-	44
Deferred tax asset	-	-	-	267	-	267
Retirement benefit surplus	-	-	-	329	-	329
Current Assets						
Inventories	4,235	-	-	-	-	4,235
Trade and other receivables	14,381	-	-	(329)	-	14,052
Cash and cash equivalents	10,231	-	-	-	-	10,231
Current Liabilities						
Trade and other payables	(21,058)	-	-	42	-	(21,016)
Current income tax liabilities	(213)	-	-	-	-	(213)
Borrowings	(13,765)	-	-	-	-	(13,765)
Non-Current Liabilities						
Borrowings	(49,763)	-	-	-	-	(49,763)
Deferred tax liabilities	(3,171)	-	-	(267)	-	(3,438)
Retirement benefit obligations	-	-	-	(42)	-	(42)
Net Assets	103,879	(76,290)	2,070	-	(3,257)	26,402
Equity						
Share capital	16,800	-	-	-	-	16,800
Share premium account	17,890	-	-	-	-	17,890
Merger reserve	68,293	(68,293)	-	-	-	-
Reverse acquisition reserve	-	(8,367)	-	-	(3,334)	(11,701)
Profit and loss account	896	370	2,070	-	77	3,413
Total Equity	103,879	(76,290)	2,070	-	(3,257)	26,402

Notes

(A) On 30 March 2007, AssetCo Group Limited completed the reverse acquisition of Asfare Group plc. On the same day, the name of Asfare Group plc was changed to AssetCo plc. Under UK GAAP, a "true and fair" over-ride was adopted and the transaction was accounted for using conventional acquisition accounting. Under IFRSs, the business combination qualifies as a reverse acquisition and has been accounted for as such. The factors indicating that a reverse acquisition has taken place include the fact that the former directors and shareholders of AssetCo Group Limited held 59% of the equity of the combined entity and had the power to govern the financial and operating policies of the enlarged Group.

By adopting reverse acquisition accounting, the merger reserve of £68.293 million, previously reported under UK GAAP, is replaced by a reverse acquisition reserve of £8.367 million, which represents the extent of the reserves of AssetCo Group Limited which have been capitalised. The adjustment to the profit and loss account of £0.37 million reflects the fact that the retained earnings of AssetCo Group Limited at 30 March 2007 (£1.266 million) are replacing those of Asfare Group plc, previously reported under UK GAAP. A corresponding adjustment to goodwill of £76.290 million is required. The share capital and share premium account of the company formerly known as Asfare Group plc replace those of AssetCo Group Limited.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Carrying amount before combination £'000	Fair value adjustments £'000	Fair value £'000
Goodwill	5,768	-	5,768
Property, plant and equipment	368	-	368
Inventories	1,366	-	1,366
Trade and other receivables	3,108	-	3,108
Cash and cash equivalents	797	-	797
Trade and other payables	(4,650)	42	(4,608)
Retirement benefit obligations	-	(42)	(42)
Borrowings	(2,057)	-	(2,057)
Net assets	4,700	-	4,700
Goodwill			3,552
Deemed consideration			8,252

The deemed consideration is calculated by reference to the number of issued shares of Asfare Group plc, prior to the business combination on 30 March 2007, multiplied by the market value on that date.

Goodwill arises on the business combination due to the underlying profitability of Asfare Group plc and anticipated synergies with existing Group companies.

(B) Under UK GAAP, goodwill was amortised over its estimated expected useful life. Under IFRS 3 "Business Combinations", goodwill is considered to have an indefinite life and is therefore not amortised but subject to annual impairment testing. The goodwill charge made under UK GAAP has been reversed under IFRSs from 1 April 2006, the IFRSs

transition date. The IFRSs restatement results in a reduction in the amortisation charge, within administrative expenses, of £2.070 million for the year ended 31 March 2007 and a corresponding increase in goodwill as at 31 March 2007.

(C) Under UK GAAP, software costs were included within tangible fixed assets. Under IAS 38, "Intangible Assets", computer software requires separate disclosure on the face of the balance sheet as an intangible asset. The effect of this balance sheet reclassification is to move software costs with a net book amount of £44,000 from property, plant and equipment to other intangible assets.

Also under UK GAAP, surpluses and deficits in relation to pension schemes were classified within other debtors or other creditors respectively. Under IAS 19, "Employee Benefits", separate disclosure is required on the face of the balance sheet. The effect of this balance sheet reclassification is to move £329,000 from trade and other receivables and £42,000 from trade and other payables and show these amounts separately within non-current assets and non-current liabilities respectively.

Under IAS 12, "Income Taxes", the offsetting of deferred tax assets and deferred tax liabilities is only permitted if there is a legally enforceable right to set off. Under UK GAAP, the Group previously netted its deferred tax assets and deferred tax liabilities and presented the net balance on the face of its balance sheet. As part of the transition to IFRSs, the Group has presented the two balances separately which results in a deferred tax asset of £267,000 and a deferred tax liability of £3.438 million

(D) Under UK GAAP, costs incurred by Asfare Group plc in connection with the business combination with AssetCo Group Limited were capitalised in goodwill. Under IFRSs, the business combination is deemed to be a reverse acquisition and, in substance, AssetCo Group Limited acquired Asfare Group plc. The costs incurred by Asfare Group plc should therefore not be reflected in goodwill but charged to the income statement. The result is an increase in administrative expenses of £1.59 million for the year ended 31 March 2007.

Under IFRSs, the carrying value of financial liabilities is required to be stated at fair value. An assessment of the fair value of shares classified as financial liabilities at 30 March 2007, the date at which the shares were re-purchased, results in a net increase in finance costs of £1.667 million for the year ended 31 March 2007. On the same date, deferred consideration of £5 million was waived by the former owners of AssetCo Group Limited which results in a finance gain of £3.334 million for the year ended 31 March 2007.

Reconciliation of Profit for the Year ended 31 March 2007

		Note				
	UK GAAP £'000	A £'000	B £'000	C £'000	D £'000	IFRSs £'000
Revenue	94,106	-	-	-	-	94,106
Cost of sales	(70,644)	-	-	-	-	(70,644)
Gross profit	23,462	-	-	-	-	23,462
Administrative expenses	(16,614)	2,070	(138)	-	(1,590)	(16,272)
Other gains	-	-	138	-	-	138
Operating profit	6,848	2,070	-	-	(1,590)	7,328
Finance income	45	-	-	3,334	-	3,379
Finance costs	(3,603)	-	-	(1,667)	-	(5,270)
Profit on ordinary activities before taxation	3,290	2,070	-	1,667	(1,590)	5,437
Tax on profit on ordinary activities	(2,211)	-	-	-	-	(2,211)
Profit on ordinary activities after taxation	1,079	2,070	-	1,667	(1,590)	3,226

Notes

(A) As noted in the reconciliation of equity at 31 March 2007, amortisation of £2.070 million reported under UK GAAP has been reversed under IFRSs.

(B) Under UK GAAP, the profit on disposal of fixed assets was reported within administrative expenses. Under IFRSs, for presentational purposes only, the profit on disposal has been separately shown on the face of the income statement within "Other gains".

(C) Under IFRSs, the carrying value of financial liabilities is required to be stated at fair value. An assessment of the fair value of shares classified as financial liabilities at 30 March 2007, the date at which the shares were re-purchased, results in a net increase in finance costs of £1.667 million for the year ended 31 March 2007. On the same date, deferred consideration of £5 million was waived by the former owners of AssetCo Group Limited which results in a finance gain of £3.334 million for the year ended 31 March 2007.

(D) Under UK GAAP, costs incurred by Asfare Group plc in connection with the business combination with AssetCo Group Limited were capitalised in goodwill. Under IFRSs, the business combination is deemed to be a reverse acquisition and, in substance, AssetCo Group Limited acquired Asfare Group plc. The costs incurred by Asfare Group plc should therefore not be reflected in goodwill but charged to the income statement. The result is an increase in administrative expenses of £1.59 million for the year ended 31 March 2007.

Cash Flows

There have been no material changes to the information previously published in the Group's cash flow statements during the periods under review.

Report of the Independent Auditor

Introduction

We have audited the parent company financial statements of AssetCo plc for the year ended 31 March 2008 which comprise the balance sheet and notes 1 to 17 of the financial statements. These parent company financial statements have been prepared under the accounting policies set out in note 2 of the financial statements.

We have reported separately on the Group financial statements of AssetCo plc for the year ended 31 March 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and independent auditor

The directors' responsibilities for preparing the Annual Report and parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement and the Reports of the Chief Executive Officer and Chief Financial Officer that is cross referenced from the "Review of business and future developments" section of the Report of the Directors.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited parent company financial statements. The other information comprises the Chairman's Statement, the Reports of the Chief Executive Officer and Chief Financial Officer, the Report of the Directors and the Corporate Governance Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting polices are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

Opinion

In our opinion:

- The parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs at 31 March 2008 and of its result for the year then ended;

- The parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and

- The information given in the Report of the Directors is consistent with the parent company financial statements for the year ended 31 March 2008.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

28 May 2008

The maintenance and integrity of the AssetCo plc website is the responsibility of the directors. The work carried out by the auditor does not involve consideration of these matters and, accordingly, accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Company Balance Sheet

	Notes	31.3.08 £'000	31.3.07 £'000
Fixed Assets			
Investment in subsidiaries	5	98,720	94,720
Current Assets			
Debtors	6	16,115	13,711
Creditors: Amounts falling due within one year	7	(1,812)	(2,791)
Net Current Assets		14,303	10,920
Total Assets less Current Liabilities		113,023	105,640
Creditors: amounts falling due after one year	8	-	(786)
Net Assets		113,023	104,854
Capital and Reserves			
Called-up share capital	10	17,958	16,800
Share premium account	10	25,197	17,890
Merger reserve	11	68,293	68,293
Share-based payment reserve	12	440	-
Profit and loss account	13	1,135	1,871
Shareholders' Funds	15	113,023	104,854

These financial statements were approved by the Board of directors and authorised for issue on 27 May 2008. They were signed on its behalf by

Frank Flynn
Director

The notes on pages 110 to 115 are an integral part of these parent company financial statements

Notes to the Company Financial Statements

1. Legal Status and Activities

AssetCo plc ("the Company") is principally a holding company for other companies within the Group.

The separate financial statements of the Company ("parent company financial statements") are presented as required by the Companies Act 1985.

The Company's financial statements for the year ended 31 March 2007 were delivered to the Registrar of Companies on 9 August 2007. Those financial statements received an unqualified audit report which did not contain statements under Section 237 (2) and (3) of the Companies Act 1985.

For greater clarity, the parent company financial statements have been presented in round thousands (£'000).

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the parent company financial statements are set out below.

2.1 Basis of Preparation

The parent company financial statements have been prepared in accordance with United Kingdom accounting standards under the historical cost convention. As permitted by the Companies Act 1985, the Company has not presented its own profit and loss account.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its consolidated financial statements, which include the Company, are publicly available.

Note 24 ("Share capital") of the consolidated financial statements of AssetCo plc forms part of these financial statements.

2.2 Investments

Investments in subsidiary undertakings are included in the balance sheet at cost less any provision for permanent diminution in value.

2.3 Share-based Payments

The Company has applied the requirements of FRS 20, "Share-based Payments". The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

2.4 Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

2.5 Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

3. Auditor's Remuneration

	2008 £'000	2007 £'000
Fees payable to the Company's auditor for the audit of the Company's financial statements	40	10

4. Particulars of Employees

	2008 £'000	2007 £'000
Number of Directors	4	5

The executive directors received all of their remuneration, as disclosed in the Report of the Directors of the consolidated financial statements, from AssetCo Group Limited. However, it is not practicable to allocate such costs between their services as executives of AssetCo Group Limited and their services as directors of AssetCo plc and other Group companies. The remuneration of the non-executive directors, which is wholly attributable to the Company, is also disclosed in the Report of the Directors of the consolidated financial statements.

5. Investments

	Shares in group undertakings £'000
Cost	
At 1 April 2007	94,720
Acquisition	4,000
At 31 March 2008	**98,720**

Impairment

The carrying value of investments is reviewed annually by the directors for potential impairment. The carrying value of the investments is, in the opinion of the directors, fairly stated at 31 March 2008.

Acquisition

On 23 November 2007, the Company acquired 100% of the issued share capital of Auto Electrical Services (Manchester) Limited and MFlow Limited for total consideration of £2.2 million, of which £1.25 million was payable in cash on completion and £950,000 was settled through the issue of shares. Deferred consideration of £1.8 million is payable. Further information in respect of this acquisition can be found in Note 32 to the consolidated financial statements.

Subsidiary Undertakings

The Company has a controlling interest directly through shares in the following undertakings:

Subsidiary	Country of Incorporation	Percentages of Shares Held	Shares Held	Nature of Business
AS Fire and Rescue Equipment Limited	England & Wales	100%	Ordinary	Manufacture and distribution of safety equipment
AssetCo Group Limited	N. Ireland	100%	Ordinary	Holding company
Auto Electrical Services (Manchester) Limited	England & Wales	100%	Ordinary	Electrical and communications systems
Todd Research Limited	England & Wales	100%	Ordinary	Manufacture and distribution of security equipment

None of the above investments are listed on a recognised Stock Exchange.

6. Debtors

	Company 2008 £'000	Company 2007 £'000
Amounts owed by group undertakings	**16,115**	13,703
Prepayments and accrued income	**-**	8
	16,115	13,711

All debtors are considered to be recoverable within one year.

7. Creditors: Amounts falling due within one year

	Company 2008 £'000	Company 2007 £'000
Bank loan and overdraft	-	472
Trade creditors	-	1,349
Corporation tax	-	124
Accruals and deferred income	12	846
Deferred consideration	1,800	-
	1,812	2,791

8. Creditors: Amounts falling due after more than one year

	Company 2008 £'000	Company 2007 £'000
Bank loan	-	786

9. Analysis of Debt

The repayment dates of the Company's bank loan and overdraft are as follows:

	Company 2008 £'000	Company 2007 £'000
Less than one year	-	472
One to two years	-	486
Two to five years	-	300
	-	1,258

10. Share Capital

	Number of Shares	Shares Capital £'000	Share Premium £'000	Total £'000
At 1 April 2007	67,198,699	16,800	17,890	34,690
Proceeds from shares issued	4,633,855	1,158	7,307	8,465
At 31 March 2008	71,832,554	17,958	25,197	43,155

The total authorised number of ordinary shares is 95,000,000 (2007: 95,000,000) with a nominal value of 25 pence per share (2007: 25 pence per share). All issued shares are fully paid.

During the year, 60,000 shares were issued on exercise of certain options over the Company's shares.

In addition, the Company issued 1,213,923 shares in part consideration for two acquisitions, one of which was made by another Group Company during the year.

On 7 February 2008, a further 3,359,932 shares were issued for cash consideration of £6,316,672.

11. Merger Reserve

	Total £'000
At 1 April 2007 and 31 March 2008	**68,293**

12. Share-Based Payment Reserve

	Total £'000
At 1 April 2007	-
Share-based payments (Note 14)	440
At 31 March 2008	**440**

13. Profit and Loss Account

	Total £'000
At 1 April 2007	1,871
Loss for the financial year	(736)
At 31 March 2008	**1,135**

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in the parent company financial statements. The loss for the year of the Company was £0.736 million (2007: profit £1.432 million).

14. Share-Based Payments

Details of the share options granted over the Company's shares by Group companies to employees, and that remain outstanding at the balance sheet date, are set out in Note 24 to the AssetCo plc consolidated financial statements. The amounts recognised as an expense in relation to equity-settled share-based payment transactions during the year was £440,000 (2007: £nil).

15. Reconciliation of Movement in Shareholders' Funds

	2008 £'000	2007 £'000
At 1 April	104,854	4,028
(Loss) / profit for the financial year	(736)	1,432
New share capital subscribed (Note 10)	8,465	31,101
Share-based payments (Note 14)	440	-
Creation of merger reserve	-	68,293
At 31 March	113,023	104,854

16. Related Party Transactions

Related parties comprise the Company's shareholders, subsidiaries and key management personnel.

During the year, the Company entered into the following significant transactions with related parties at prices and on terms agreed between the related parties:

Amounts due from related parties

Company	2008 £'000	2007 £'000
Group undertakings	**16,115**	13,703

17. Post-Balance Sheet Event

On 27 May 2008, the Board recommended a final dividend for the year to 31 March 2008 of one pence per share (2007: nil). This dividend has not been included as a liability at 31 March 2008.

Directors

Timothy Wightman,
Non-executive Chairman

Tim (aged 62) is currently non-executive chairman of Petards Group plc, an AIM quoted company and was non-executive chairman of Digica Group Holdings Limited, an IT outsourcing company backed by Bridgepoint Capital, until its sale to Computacentre plc in January 2007. In 2000, as chief executive officer, he led a management buy-in of Knurr A.G., a German manufacturing business listed on the Munich Stock Exchange.

Prior to that, he was chief executive of Rubicon Group plc, a company listed on the London Stock Exchange, from 1992 until its sale to Applied Power Inc. in 1998 when he became senior vice president of Applied Power Inc. and President of APW Enclosure Systems Division. From 1988 he was chief executive of CAS Group plc, a 3i backed business, until its sale to Intrum Justitia BV in 1992. Prior to that he worked at Yule Catto & Co. Limited, Chloride Group plc and Lloyds Bowmaker plc, where he became managing director of the Personal Lending Division. He holds an engineering degree and a MBA.

Adrian Bradshaw,
Non-executive Director

Adrian (aged 51) is currently, and has been, a director of a number of public and private companies. He previously worked for Citicorp Scrimgeour Vickers, NatWest Markets and Guidehouse Limited and in 1989 he was appointed head of corporate finance of Arbuthnot Latham Bank. In 1991, he became chief executive of Incepta Group plc before establishing Bradmount Investments Limited in 1993 as a private investment company where he has been involved in a number of floatations notably GW Pharmaceuticals plc, RWS Group plc, Medical Solutions plc and Atlantic Global plc. He holds a BA (Hons) in law.

John Shannon,
Chief Executive Officer

John (aged 42) led the BIMBO of the AssetCo Group in October 2005. He acquired Star Rentals Limited in 1997 and by January 2000, following the acquisition of the Lex Transfleet subsidiary in Northern Ireland, Chart Hire Services Limited, had formed Northern Ireland's largest privately owned fleet management company, Fleet Management Ireland.

Upon selling Fleet Management Ireland to AssetCo he became a board member of AssetCo and managing director of AssetCo (Ireland) Limited, AssetCo Emergency Limited and AssetCo Vehicles Limited. Until 1996, he worked in Bank of Ireland's Corporate and International Banking division, prior to which he worked at KPMG. He holds a BSc (Hons) in Marine Biology, is a fellow of the Institute of Chartered Accountants in Ireland, a fellow of the Institute of Logistics and Transport, a member of the Institute of Bankers and holds a MBA.

Frank Flynn,
Chief Financial Officer

Frank (aged 44) was part of the BIMBO team that acquired the AssetCo Group in October 2005. In the four years leading up to the BIMBO, he was an associate partner at PricewaterhouseCoopers LLP ("PwC") with specific focus on realising shareholder value. He was responsible for activities in PwC's Omagh and Derry offices and managed human resources for Northern Ireland Assurance, a division of PwC employing over 300 people.

In addition, he also managed a portfolio of audit clients. Prior to this, he worked for three years within the corporate finance division of the Industrial Development Board for Northern Ireland. He also spent six years with Crescent Capital/ Hambro Northern Ireland Venture Capital Fund as an investment manager and was a non-executive director of UP Holdings Limited and Toughglass Limited. He holds a BSc (Hons) in Business and Accountancy, is a fellow of the Institute of Chartered Accountants in Ireland and was a licensed Insolvency Practitioner.

Notice of Annual General Meeting

This year's annual general meeting will be held at 250 Bishopsgate, London EC2M 4AA on Tuesday, 8th July 2008 at 11:30 am. You will be asked to consider and pass the resolutions below. Resolutions 8 to 10 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Resolutions

Resolution 1:

THAT the report of the directors and the audited accounts for the year ended 31 March 2008 laid before the meeting, be received.

Resolution 2:

THAT the report on Directors' remuneration as set out in the Annual report for the year to 31 March 2008 be approved.

Resolution 3:

THAT Adrian Effland Bradshaw, the director retiring by rotation pursuant to Article 66, be re-elected a director of the company.

Resolution 4:

THAT Marcus John Shannon, the director retiring by rotation pursuant to Articles 66 and 67.1, be re-elected a director of the company.

Resolution 5:

THAT Grant Thornton UK LLP be re-appointed auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are to be laid before the Company and that their remuneration be determined by the directors.

Resolution 6:

THAT for the purposes of section 80 of the Companies Act 1985 (the 'Act'), the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £5,791,861.50 provided that this authority shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this Resolution, except that the Company may, before the expiry of such period, make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired, this authority to replace any existing like authority which is hereby revoked with immediate effect.

Special Resolutions

Resolution 7:

THAT a final dividend for the year ended 31 March 2008 of one pence per share, on the ordinary shares of 25 pence each of the Company, be declared payable on 26 September 2008 to shareholders registered at the close of business on 29 August 2008.

Resolution 8:

THAT the Directors be and they are hereby empowered pursuant to that section 95 of the Act to allot equity securities (as defined in section 94 of the Act) pursuant to the authority conferred upon them by Resolution 6 above (as varied from time to time by the Company in general meeting) as if section 89(1) of the Act did not apply to any such allotment PROVIDED THAT such power shall be limited to:

(i) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the Directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws or the requirements of any recognised regulatory body in any territory or otherwise:

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £1,795,814.

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the Directors pursuant to section 95 of the Act and shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this Resolution, except that the Company may, before the expiry of any power contained in this Resolution, make an offer or agreement which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or arrangement as if the authority conferred hereby had not expired.

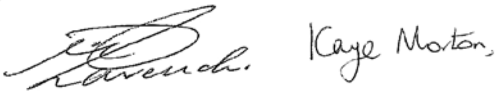
Resolution 9:
That the Company be and is hereby generally and unconditionally authorised for the purposes of Section 166 of the Companies Act 1985 to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares in the capital of the Company, provided that:

(i) the number of ordinary shares hereby authorised to be purchased shall not exceed 10%. of the Company's issued ordinary share capital at the date of this resolution;
(ii) the minimum price, exclusive of any expenses, which may be paid for any ordinary share shall not be less than its nominal value;
(iii) the maximum price, exclusive of any expenses, which may be paid for any such ordinary share is an amount equal to 105%. of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the date on which such share is contracted to be purchased;
(iv) this authority shall expire on the earlier of the date which is 18 months after the date of this resolution or the end of the next annual general meeting of the Company; and
(v) the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.

Resolution 10:
THAT the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the

Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

5 June 2008
By order of the Board



Michael Lavender
Joint Company Secretary

Kaye Morton
Joint Company Secretary

Registered Office:
800 Field End Road, South Ruislip
Middlesex HA4 0QH
Registered in England and Wales
No. 4966347

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. Please do not appoint the Chairman as proxy if it is your intention that your proxy is to speak at the Annual General Meeting; the Chairman will not speak in his capacity as proxy at the Annual General Meeting. [If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services plc on +44 (0) 870 889 3198.]

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11:30 on 6 July 2008.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11:30 am on 6 July 2008 (if the AGM is adjourned, 2 working days before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the

AGM in respect of the number of shares registered in their name at that time. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. As at 4 June 2008 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 71,832,554 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 4 June 2008 are 71,832,554.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 11:30 am on 6 July 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

12. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

13. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

Financial Calendar

8 July 2008
Annual General Meeting

29 August 2008
Dividend record date

26 Septmeber 2008
Payment of 2008 final dividend

27 November 2008
FY09 interim financial results announcement

Notes

AssetCo plc
800 Field End Road
South Ruislip
Middlesex
HA4 0QH

Tel: + 44 (0) 20 8515 3999
www.assetco.com