



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

Date: 28 March 2017

Immediate Release

AssetCo plc

("AssetCo" or the "Company")

Preliminary results for the year to 30 September 2016

Statement by the Chairman, Tudor Davies

Introduction

We are pleased to report an improvement in profits and cash generation for the year ended 30 September 2016, principally all of which arises from a Fire Services contract in Abu Dhabi we have held since 2010 and which has been extended until November 2017 when it is due for renewal.

Results

The Income Statement for the year ended 30 September 2016 shows an Operating Profit of £4.9m (2015; £4.4m) on Revenue of £23.3m (2015; £21.7m) and a Profit before and after Taxation of £4.6m (2015; £4.0m). The year on year increase is principally due to the weakness of sterling versus the United Arab Emirates Dirham in which currency our business is conducted.

The cash position remains strong at £18.8m (2015; £15.6m) comprising free cash balances of £15.5m (2015; £12.8m) and restricted cash balances held in respect of bonds amounting to £3.3m (2015; £2.8m).

Claim against Grant Thornton

The litigation against the Company's former auditors, where we have issued formal Court proceedings and amounts to a sum in the region of £40m, continues but is not due to be heard until the summer of 2018.

UAE Contract

As announced on 31 January 2017, we agreed and signed a one year extension to our existing Abu Dhabi Fire Services contract, on similar terms, effective from November 2016 until November 2017 and are awaiting its final signature and return from Abu Dhabi.

Outlook

Trading continues to be in line with management's expectations and we will keep shareholders informed regarding further progress on extending the UAE contract and also any developments from the Grant Thornton claim.

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AssetCo is principally involved in the provision of management and resources to the fire and emergency services in the Middle East. For further details, visit the website, www.assetco.com

Ticker: AIM: ASTO.L
Market cap: £43.35m

AssetCo plc
Income Statement
for the year to 30 September 2016

	Year to 30 September	
	2016	2015
	£'000	£'000
Revenue	23,300	21,660
Cost of sales	(16,550)	(15,564)
Gross profit	6,750	6,096
Administrative expenses	(1,874)	(1,647)
Operating profit	4,876	4,449
Finance income	21	23
Finance costs	(294)	(459)
Profit before tax	4,603	4,013
Income tax	-	-
Profit for the year	4,603	4,013
Earnings per share (EPS):		
Basic – pence	37.70	32.86
Diluted - pence	37.70	32.86

AssetCo plc
Statement of Comprehensive Income
for the year to 30 September 2016

	Year to 30 September	
	2016	2015
	£'000	£'000
Recognised profit for the year	4,603	4,013
Other comprehensive income		
Exchange differences on translating foreign operations	1,858	866
Other comprehensive income, net of tax	1,858	866
Total comprehensive income for the year	6,461	4,879

AssetCo plc
Statement of Financial Position
As at 30 September 2016

	30 September 2016	30 September 2015
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	-	-
Cash held in respect of a bond	240	2,802
Total non-current assets	240	2,802
Current assets		
Inventories	-	-
Trade and other receivables	12,498	6,629
Cash and cash equivalents	15,470	12,836
Cash held in respect of a bond	3,040	11
Total current assets	31,008	19,476
Total assets	31,248	22,278
Shareholders' equity		
Share capital	25,474	25,474
Share premium	64,941	64,941
Profit and loss account	(64,359)	(70,820)
Total equity	26,056	19,595
Liabilities		
Current liabilities		
Trade and other payables	5,192	2,683
Total current liabilities	5,192	2,683
Total liabilities	5,192	2,683
Total equity and liabilities	31,248	22,278

The financial statements were authorised for issue by the board of directors on 28 March 2017 and were signed on its behalf by Tudor Davies.

AssetCo plc
Statement of Changes in Equity
for the year to 30 September 2016

	Share capital £'000	Share premium £'000	Profit and loss reserve £'000	Total equity £'000
Balance at 30 September 2014	25,474	64,941	(75,699)	14,716
Profit for the year	-	-	4,013	4,013
Other comprehensive income:				
Exchange differences on translation	-	-	866	866
Total comprehensive income for the year	-	-	4,879	4,879
Balance at 30 September 2015	25,474	64,941	(70,820)	19,595
Profit for the year	-	-	4,603	4,603
Other comprehensive income:				
Exchange differences on translation	-	-	1,858	1,858
Total comprehensive income for the year	-	-	6,461	6,461
Balance at 30 September 2016	25,474	64,941	(64,359)	26,056

AssetCo plc
Statement of Cash Flows
for the year to 30 September 2016

	Note	Year to 30 September	
		2016 £'000	2015 £'000
Cash flows from operating activities			
Cash generated from operations	5	2,151	4,758
Cash deposited in respect of a performance bond		-	(223)
Cash released in respect of a performance bond		-	2,814
Finance costs		(294)	(459)
Net cash generated from operating activities		1,857	6,890
Cash flows from investing activities			
Finance income		21	23
Net cash generated from investing activities		21	23
Net change in cash and cash equivalents		1,878	6,913
Cash, cash equivalents and bank overdrafts at beginning of year		12,836	5,787
Exchange differences on translation		756	136
Cash, cash equivalents and bank overdrafts at end of year	6	15,470	12,836

AssetCo plc
Notes to the Financial Statements
for the year to 30 September 2016

1. Legal status and activities

AssetCo plc (the “Company”) is principally involved in the provision of management and resources to the fire and rescue emergency services in international markets. It currently trades through a branch in UAE and its strategy is to develop this business. As at period end, the Company has no subsidiaries.

AssetCo plc is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire NP25 5JA.

AssetCo plc shares are listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange.

This preliminary announcement has been presented in sterling to the nearest thousand pounds (£’000) except where otherwise indicated, as are the financial statements, which were authorised for issue by the board of directors on 28 March 2017.

2. Basis of preparation

The preliminary results for the period to 30 September 2016, which do not form the statutory accounts of the Company, are an abridged statement of the full Annual Report and Financial Statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preliminary results have been prepared on a going concern basis.

The principal accounting policies are included in the financial statements and have been applied consistently in both periods presented.

3. Segmental reporting

The core principle of IFRS 8 ‘Operating Segments’ is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. Segmental information is therefore presented in respect of the Company’s geographical settlement. No secondary segmental information has been provided as, in the view of the directors, the Company operates in only one segment, being the provision of management and resources to fire and emergency services. The directors consider the chief operating decision maker is the board.

The amounts provided to the board with respect to net assets are measured in a manner consistent with that of the financial statements. The Company is domiciled in the UK and operates a branch in UAE. Revenue by destination is not materially different from revenue by origin shown above. All revenue relates to services. Unallocated comprises the head office.

Analysis of revenue and results by geographical settlement

Year to 30 September 2016	UAE £’000	Unallocated £’000	Continuing operations £’000
Revenue			
Revenue to external customers	23,300	-	23,300
Total revenue	<u>23,300</u>	<u>-</u>	<u>23,300</u>
Segment result			
EBITDA	6,050	(1,174)	4,876
Depreciation	-	-	-
Operating profit	<u>6,050</u>	<u>(1,174)</u>	<u>4,876</u>
Finance income	7	14	21
Finance costs	(294)	-	(294)
Profit for the year	<u>5,763</u>	<u>(1,160)</u>	<u>4,603</u>
Assets and liabilities			
Total segment assets	19,110	12,138	31,248
Total segment liabilities	(4,414)	(778)	(5,192)
Total net assets	<u>14,696</u>	<u>11,360</u>	<u>26,056</u>
Other segment information			
Total capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>

Analysis of revenue and results by geographical settlementcontinued

Year to 30 September 2015	UAE £'000	Unallocated £'000	Continuing operations £'000
Revenue			
Revenue to external customers	21,660	-	21,660
Total revenue	<u>21,660</u>	<u>-</u>	<u>21,660</u>
Segment result			
EBITDA	5,383	(922)	4,461
Depreciation	(12)	-	(12)
Operating profit	<u>5,371</u>	<u>(922)</u>	<u>4,449</u>
Finance income	11	12	23
Finance costs	(459)	-	(459)
Profit for the year	<u>4,923</u>	<u>(910)</u>	<u>4,013</u>
Assets and liabilities			
Total segment assets	13,942	8,336	22,278
Total segment liabilities	(2,294)	(389)	(2,683)
Total net assets	<u>11,648</u>	<u>7,947</u>	<u>19,595</u>
Other segment information			
Total capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>

4. Earnings per share

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

	Year to 30 September	
	2016 £'000	2015 £'000
Profit for the year	<u>4,603</u>	<u>4,013</u>
Weighted average number of shares in issue	12,211,163	12,211,163
Basic and diluted earnings per share (EPS) - pence	37.70	32.86

5. Reconciliation of profit before tax to cash generated from operations

	Year to 30 September	
	2016 £'000	2015 £'000
Profit for the year before tax	4,603	4,013
Depreciation and impairment	-	12
Finance costs	294	459
Finance income	(21)	(23)
Decrease in inventories	-	333
(Increase)/decrease in debtors	(4,766)	65
Increase/(decrease) in creditors	2,041	(101)
Cash generated from operations	<u>2,151</u>	<u>4,758</u>

6. Analysis of net cash:

	At 30 September	
	2016 £'000	2015 £'000
Cash at bank and in hand	15,470	12,836
	<u>15,470</u>	<u>12,836</u>

There was cash of £15,470,000 as at 30 September 2016 (2015: £12,836,000) and cash held in respect of bonds of £3,280,000 (2015: £2,813,000).

7. Contingent liabilities

	Approximate maximum liability	
	2016 £'000	2015 £000
Performance bond related to a UAE contract, expected to be released in full in 2017	<u>3,000</u>	<u>2,500</u>
Performance bond related to a UAE contract, expected to reduce to approximately £1m in 2017 and to be released in full in 2020	<u>2,400</u>	<u>2,000</u>
Performance bond related to a UAE contract, expected to be released in full in 2017	<u>130</u>	<u>100</u>

8. Post balance sheet events

There are no post balance sheet events to report.

9. Annual General Meeting

The annual general meeting is to be held at 11.30 a.m. on Friday, 5 May 2017 at Harwood Capital, 6 Stratton Street, London, W1J 8LD. A Notice convening the annual general meeting will be posted to shareholders in due course.

10. Electronic communications

This Preliminary Announcement is available on the Company's website www.assetco.com. News updates, regulatory news and financial statements can be viewed and downloaded from the Company's website, www.assetco.com. Copies can also be requested, in writing, from The Company Secretary, AssetCo plc, Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire NP25 5JA. The Company is not proposing to bulk print and distribute hard copies of the Annual Report and Financial Statements for the year to 30 September 2016 unless specifically requested by individual shareholders; it can be downloaded from the Company's website.