AssetCo plc

Annual report and financial statements

Year ended 30 September 2014

Registered number: 04966347

COMPANY INFORMATION

Company registration number	04966347
Registered office	Singleton Court Business Park Wonastow Road Monmouth Monmouthshire NP25 5JA
Directors	Tudor Davies (*Chairman*) Dr Jeff Ord Christopher Mills Mark Butcher
Company secretary	Tudor Davies
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Nominated adviser, and corporate broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Registrar	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgewater Road Bristol BS13 8AE
Website	www.assetco.com

CONTENTS

Chairman's statement

Introduction

We are pleased to announce results for the year ended 30 September 2014 showing a 53% improvement in profit over the same period last year.

Results

The Consolidated Income Statement for the year ended 30 September 2014 shows an Operating profit of £2.6m (2013: £1.7m) on Revenues of £14.6m (2013: £17.6m) and a Profit before tax of £2.3m (2013: £1.3m).

The main factors behind the lower Revenues compared with the previous year relate to the completion of our contractual obligations to construct and supply of equipment to four new fire stations. The year on year increase in profits was primarily due to the absence of one off costs associated with the construction of the fire stations, and lower costs associated with the claim against our former auditors Grant Thornton.

Cash position

We currently have total cash balances £10.8m (2013: £9.1m), comprising free cash balances of £5.8m (2013: £4.1m) and restricted cash balances held in respect of Bonds amounting to £5.0m (2013: £5.0m). The cash balances in respect of Bonds in part relate to completed contracts with £2.5m in current assets which was received after the year end and £2.5m which is due for release in the year ending 30 September 2017. The strong cash position benefitted from the exercise of 1,210,450 warrants in December 2013, resulting in gross proceeds of £2.4m.

Claim against former auditors

We have made some progress in respect of the claim against Grant Thornton for losses resulting from negligent audits for the years ended 31 March 2009 and 31 March 2010, by submitting details of our claim, amounting to £50.8m, to Grant Thornton in accordance with the Professional Negligence Pre-action Protocol. Although we submitted our claim in May 2014 and the Protocol provides that a substantive response be served within three months, in August 2014 Grant Thornton's solicitors indicated that they would not be in a position to serve a response "*before November*". Grant Thornton's response has since been further delayed and their solicitors have recently indicated that we may expect a full reply by the end of March 2015. Whilst we had hoped that Grant Thornton would engage fully and openly in accordance with the Professional Negligence Pre-Action Protocol, if a full response is not forthcoming we will be left with no sensible alternative other than to issue formal court proceedings against Grant Thornton in the near future.

Current Trading

Trading continues to be in line with management's expectations and we will keep shareholders updated of further progress during the coming year.

Tudor Davies

25 March 2015

Board of Directors

Tudor Davies

Director, Chairman and Company Secretary

Appointed to the AssetCo plc board in March 2011 Tudor was the Executive Chairman of Dowding and Mills plc and, following a reverse acquisition, was subsequently appointed to the board of Castle Support Services plc in June 2007. He was also a non-executive director and subsequently Chairman of Stratagem Group plc from 2000 to 2002. From 1990 to 1999 he was Chief Executive and subsequently Chairman of Hicking Pentecost plc. He is currently also the Chairman of Zytronic plc.

Dr Jeff Ord

Executive Director

Appointed to the AssetCo plc board in April 2012 Jeff has been a member of the AssetCo management team since 2007 and that launched the Company's UAE based branch in 2010. Prior to joining AssetCo Jeff held the position of Her Majesty's Inspector for Fire and Rescue and he had previously commanded the Fire and Rescue Services for Northumberland, South Yorkshire and Strathclyde.

Christopher Mills

Non-executive Director

Chairman of the Audit Committee

Chairman of the Remuneration Committee

Chairman of the Nomination Committee

Appointed to the AssetCo plc board in March 2011 Christopher is Chief Executive Officer of Harwood Capital Management Limited and Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust plc.

Mark Butcher

Non-executive Director

Appointed to the AssetCo plc board in October 2012 Mark's previous directorships include Autologic Holdings plc, Newbury Racecourse plc, Nationwide Accident Repair Services plc, and GPG (UK) Holdings plc, which was the UK investment arm of Guinness Peat Group plc.

Strategic Report

Introduction

The Directors present their strategic report on the group for the year ended 30 September 2014.

Principal Activities

AssetCo plc 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.

Business Review

Further information relating to the performance of the business, strategy and progress is given in the Chairman's Statement on page 1 which is incorporated into this report by reference.

Key Performance Indicators

The principal indicators used to measure the performance at Group and segment level in the past 12 months are EBITDA and cash generation. There are very detailed KPIs within the Group's trading contracts and these are monitored accordingly.

Principal Risks and Uncertainties

The Directors continuously monitor the business and markets to identify and deal with risks and uncertainties as they arise, as the main risk to the Group's business is a material reliance on one contract with a Government agency, failure to perform could result in these contracts not being renewed or lost, leading to a significant reduction in revenues and materially affecting the value and prospects of the Group.

Whilst credit risk is low due to the Government backed nature of the contract referred to above, the concentration of revenues from one source in UAE could expose the Group to material risk to trading performance and contracts in the event of contractual issues arising. The success of the Group depends upon a continuing relationship with its principle customer.

The Group may need to compete for business with companies who provide similar services in other industry sectors. This may place other competitive pressures on the Group by driving price reductions or causing reduced margins and/or loss of the Group's market share.

The Group's growth is dependent on winning further total managed services and other contracts and enhancing the returns from its existing contracts. Other contracts may be dependent upon the ongoing purchasing power delegated to Government agencies under Government policy, which is subject to regular review. Contracts with public bodies which are central to the Group's business are normally awarded through a formal competitive tendering process, presenting a number of risks, including substantial cost and managerial time and incorrectly estimating the resources and cost structure that will be required to service any contract.

The Group has contractual obligations to perform its services within stringent time and service level criteria, and is subject to financial penalties. Any such circumstances may have a material adverse effect on the business, financial condition, trading performance and prospects. Further, the Group subcontracts some of its contracted obligations and may be responsible for and liable in respect of subcontractor defaults.

The Group is dependent upon senior management and so the focus is on the recruitment and retention of suitably qualified employees. The loss of key personnel without adequate replacement may have a material adverse effect on the Group's business, performance and prospects.

The activities of the Group are subject to laws and regulation governing taxes, employment standards and occupational health, safety, environmental and other matters. Failure to comply with such requirements may result in fines and/or penalties being assessed against the Group which could have a material adverse effect on the Group's business, financial condition, trading performance and prospects.

By order of the Board

Tudor Davies
Company Secretary

Company Registration Number: 04966347

Directors' Report

Introduction

The Directors present their annual report and the audited financial statements of the Company and the Group for the year from 1 October 2013 until 30 September 2014.

Results

The consolidated financial statements are set out on pages 12 to 42.

Dividend

The Directors do not propose a dividend this year (2013: £nil).

Capital Structure

The primary objective of the Group's capital management is to ensure that capital is available to allocate to business that maximises shareholder value.

Details of the authorised and issued capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 21.

Financial Risk Management

See note 3 to the consolidated financial statements.

Directors

The Directors who held office during the period were as follows:

Tudor Davies (Chairman)	
Christopher Mills (Non- Executive)	
Gareth White (Executive)	– passed away on 13 December 2013
Dr Jeff Ord (Executive)	
Mark Butcher (Non-Executive)	

The Company Secretary who held office during the period was as follows:

Tudor Davies

Directors' Shareholdings

The beneficial interests of the Directors in the shares of the Company were as follows:

	At 30 September 2014 No.	At 30 September 2013 No.
Executive Directors		
Tudor Davies*	25,024	25,024
Christopher Mills*	5,915,779	5,915,779
Gareth White	—	—
Dr Jeff Ord	—	—
Non-executive Directors		
Mark Butcher	—	—

* Christopher Mills as Chief Executive and a member of Harwood Capital LLP is deemed to have an interest in the 5,915,779 shares owned by various funds associated with Harwood Capital LLP.

Those shares, including the 25,024 that Tudor Davies has an interest in, are held on a discretionary management basis for a number of private clients who remain the ultimate beneficial owners.

Substantial Shareholdings

At 25 March 2015 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 interest in 3% or more in the ordinary share capital of the Company:

Name	Number of shares	% age of issued share capital
Harwood Capital	5,915,779	48.5%
Henderson Global Investors Limited	3,558,689	29.1%
Utilico Group	2,379,985	19.5%

Business combinations and disposals

There have been no business combinations or disposals during the period.

Post Balance sheet events

Post balance sheet events can be found in Note 29.

Corporate Governance

As an AIM listed company AssetCo Plc is not required to comply with the UK Corporate Governance Code published in June 2010, ("the Code") in respect of the financial year ended 30 September 2014, instead using its provisions as a guide, but only as considered appropriate to the circumstances of the Company.

Directors

Brief biographical details of the Directors in office are set out on page 2.

The Board consists of a Chairman, one Executive Director and two Non-Executive Directors who are considered by the Board to be independent of the Company's Executives for the purposes of the Code. The Board considers that it has an appropriate balance of skills, experience, ages and length of service.

The Board is a small Board and individual members have a wide range of qualifications and expertise to bring to any debate. The Board meets as necessary. The Board has considered the need to appoint a senior independent director and believes that it is not necessary at present.

Board meetings

At each scheduled meeting of the Board reports are received on the Group's operations and the financial position of the Group. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed by the Company Secretary to all Directors in advance of Board meetings. In addition to scheduled Board Meetings, the Board may carry out certain urgent matters not requiring debate by way of delegation to a Committee of the Board or by resolution in writing of all Directors.

Remuneration committee

All of the Non-Executive Directors comprise the Remuneration Committee. The Remuneration Committee reviews the remuneration paid to the Chairman and Executive Directors.

Audit committee

The Board is supported by an Audit Committee which comprises all of the Non-Executive Directors.

The Audit Committee meets twice a year with the external Auditors in attendance as required. It assists the Board in ensuring that appropriate accounting policies, financial systems, internal controls and compliance procedures are in place. It also reviews the relationship between the Group and external Auditors in terms of the provision on non-audit services and ensuring that auditor independence and objectivity is maintained.

Nominations committee

The Nominations Committee makes recommendations to the Board on the composition of the Board generally and on the balance between executive and non-executive Directors. It also makes recommendations on the appointment of new Directors and subsequent re-appointments on retirement by rotation.

Re-election of Directors

The Articles of Association provide that newly appointed Directors are required to submit themselves for election by Shareholders at the General Meeting following their appointment and for all Directors to be re-elected at least once every three years.

Shareholder relations

The Company, through the Chairman and Executives, has regular contact with its Institutional Shareholders. The Board supports the principle that the Annual General Meeting be used to communicate with private Shareholders and encourages them to participate.

The Notice of the Annual General Meeting will be sent out in due course.

Internal control

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness in accordance with the guidance set out in the Code. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Code has a requirement that the Directors review the effectiveness of the Group's system of internal controls. This includes internal financial controls and controls over financial, operational, compliance and risk management.

The Group has established procedures for planning and monitoring the operational and financial performance of all businesses in the Group, as well as their compliance with applicable laws and regulations. These procedures include:

- clear responsibilities for good financial controls and the production of timely financial management information

- the control of key financial risks through clearly laid down authorisation levels and proper segregation of accounting duties

- the review of trading results, balance sheets and cash flows by management and the Board

- reporting on compliance with internal financial controls and procedures by each individual business unit under the supervision of the Chairman and at the year-end by external Auditors.

Going Concern

The Directors have considered the going concern assumption for the Parent Company, AssetCo Plc, and the Group by assessing the operational and funding requirements of the Parent Company and the Group as a whole.

The Directors have concluded that there are no material uncertainties that they have identified relating to events or conditions that may cast significant doubt about the ability of Assetco Plc to continue as a going concern.

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 prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the 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 accounting estimates that are reasonable and prudent;

- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditor

In accordance with section 489(4) of the Companies Act 2006 a resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the Annual General meeting.

By order of the Board

Tudor Davies
Company Secretary

Company Registration Number: 04966347

Report of the independent auditors to the members of AssetCo plc

(consolidated financial statements)

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's affairs as at 30 September 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements (the "financial statements"), which are prepared by AssetCo plc, comprise:

- the consolidated statement of financial position as at 30 September 2014;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

We have reported separately on the company financial statements of AssetCo plc for the year ended 30 September 2014.

Andrew Hammond *(Senior Statutory Auditor)*
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

25 March 2015

Consolidated Income Statement

for the year ended 30 September 2014

	Notes	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Revenue	5	**14,634**	17,647
Cost of sales		**(10,865)**	(13,714)
Gross profit		**3,769**	3,933
Administrative expenses		**(1,169)**	(2,195)
Operating profit	6	**2,600**	1,738
Finance income	8	**9**	47
Finance costs	8	**(356)**	(526)
Profit before tax		**2,253**	1,259
Income tax expense	10	**—**	—
Profit for the year		**2,253**	1,259
Earnings per share (EPS)			
Basic – pence	11	**18.92**	11.44
Diluted – pence	11	**18.46**	10.13

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2014

	Notes	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Recognised profit for the year	5	**2,253**	1,259
Other comprehensive income/(expense)			
Exchange differences on translating foreign operations		**137**	(231)
Other comprehensive income/(expense), net of tax		**137**	(231)
Total comprehensive income for the year		**2,390**	1,028

Consolidated Statement of Financial Position

as at 30 September 2014

	Notes	30 September 2014 £'000	30 September 2013 £'000
Assets			
Non-current assets			
Property, plant and equipment	12	**12**	54
Cash held in respect of a bond		**2,482**	2,489
Total non-current assets		**2,494**	2,543
Current assets			
Inventories	14	**333**	29
Trade and other receivables	15	**6,220**	4,515
Cash and cash equivalents (excluding bank overdrafts)	18	**5,787**	4,134
Cash held in respect of a bond		**2,509**	2,489
Total current assets		**14,849**	11,167
Total assets		**17,343**	13,710
Shareholders' equity			
Share capital	21	**25,474**	25,353
Share premium	21	**64,941**	62,645
Foreign currency translation reserve		**24**	(113)
Profit and loss account		**(75,723)**	(77,976)
Total equity		**14,716**	9,909
Liabilities			
Current liabilities			
Trade and other payables	16	**2,627**	3,801
Total current liabilities		**2,627**	3,801
Total liabilities		**2,627**	3,801
Total equity and liabilities		**17,343**	13,710

The notes on pages 17 to 42 are an integral part of these consolidated financial statements. The financial statements were authorised for issue by the board of directors on 25 March 2015 and were signed on its behalf by Tudor Davies.

Registered number: 04966347

Consolidated Statement of Changes in Equity

for the year ended 30 September 2014

	Share capital £'000	Foreign currency translation reserve £'000	Profit and loss reserve £'000	Share premium £'000	Total equity £'000
Balance at 30 September 2012	25,353	118	(79,235)	62,645	**8,881**
Profit for the year	—	—	1,259	—	**1,259**
Other comprehensive expense:					
Exchange differences on translation	—	(231)		—	**(231)**
Total comprehensive income for the year	—	(231)	1,259	—	**1,028**
Balance at 30 September 2013	25,353	(113)	(77,976)	62,645	**9,909**
Transactions with owners:					
Issue of shares	121	—	—	2,296	**2,417**
Transactions with owners for the year	121	—	—	2,296	**2,417**
Profit for the year	—	—	2,253	—	**2,253**
Other comprehensive income:					
Exchange differences on translation	—	137	—	—	**137**
Total comprehensive income for the year	—	137	2,253	—	**2,390**
Balance at 30 September 2014	25,474	24	(75,723)	64,941	**14,716**

Consolidated Statement of Cash Flows

for the year ended 30 September 2014

	Note	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Cash flows from operating activities			
Cash used in operations	26	**(380)**	(849)
Cash deposited in respect of a performance bond		**(30)**	(894)
Interest paid		**(356)**	(526)
Income taxes received		**—**	1,096
Net cash used in operating activities		**(766)**	(1,173)
Cash flows from investing activities			
Finance income		**9**	47
Purchase of property, plant, and equipment		**—**	(6)
Net cash generated from investing activities		**9**	41
Cash flows from financing activities			
Issue of shares (net of costs)		**2,417**	—
Net cash generated in financing activities		**2,417**	—
Net change in cash and cash equivalents		**1,660**	(1,132)
Cash, cash equivalents and bank overdrafts at beginning of year		**4,134**	5,266
Exchange differences on translation		**(7)**	—
Cash, cash equivalents and bank overdrafts at end of year	18	**5,787**	4,134

Notes to the Consolidated Financial Statements
for the year ended 30 September 2014

1 LEGAL STATUS AND ACTIVITIES

AssetCo plc (the "company") is principally involved in the provision of management and resources to the fire and rescue emergency services in international markets. It currently trades through a branch in UAE and its strategy is to develop this business. As at period end, the company has no trading subsidiaries and therefore the principal activities of the Group are restricted to those of the company detailed above.

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

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

The financial statements have been presented in Sterling to the nearest thousand pounds (£'000) except where otherwise indicated.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 25 March 2015.

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 Group's 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, IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The financial statements are prepared using the historical cost convention as modified by financial liabilities at fair value through profit or loss. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2014.

Going concern

As the company has no material subsidiaries the Directors have considered the going concern assumption for the Parent Company, Assetco Plc, and the Group by assessing the operational and funding requirements of the Parent Company.

The Directors have concluded that there are no material uncertainties that they have identified relating to events or conditions that may cast significant doubt about the ability of AssetCo Plc or the Group to continue as a going concern.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The nature of estimation means the actual outcomes may differ from the estimates. 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

Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group:

At the date of authorisation of these financial statements the following standards, amendments and interpretations which have not been applied in these financial statements were in issue but not yet effective:

Amendments to IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2014)

Amendments to IAS 36 "Impairment of asset' on recoverable amount disclosures" (effective 1 January 2014)

Amendments to IAS 39 "Financial instruments: Recognition and measurement" (effective 1 January 2014)

Amendments to IFRS 10 "Consolidated financial statements" IFRS 12 and IAS 27 for investment entities (effective date 1 January 2014).

Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative (effective date 1 January 2016)

Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exemption (effective date 1 January 2016)

Amendment to IFRS 10 and IAS 28 on sale or contribution of assets (effective date 1 January 2016) Amendments to IAS 27, 'Separate financial statements' on the equity method (effective date 1 January 2016)

Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation (effective date 1 January 2016)

IFRS 14, 'Regulatory deferral accounts' (effective date 1 January 2016) Annual Improvements 2014 (effective 1 January 2016)

Amendments to IFRS 11 "'Joint Arrangements' on acquisition of an interest in a joint operation" (effective 1 January 2016)

IFRS 15 "Revenue from contracts with customers" (effective 1 January 2017)

IFRS 9 "Financial Instruments" (effective 1 January 2018)

The directors are currently assessing the impact of the adoption of these standards and interpretations on the financial statements of the Group but currently do not expect these to have a material impact on the results or presentation of the 2014 annual report.

New standards, interpretations and amendments to existing standards that were adopted by the Group at the date of authorisation of these financial statements were as follows:

Amendments to IAS 12 "Income Taxes" on Deferred Tax – Recovery of Underlying Assets" (EU endorsed 1 January 2013)

Amendments to IAS 19 "Employee Benefits" (effective 1 January 2013)

IFRS 10 "Consolidated Financial Statements" (effective 1 January 2013)

IFRS 11 "Joint Arrangements" (effective 1 January 2013)

IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2013)

Amendments to IFRS 10, 11 and 12 on transition guidance (effective 1 January 2013)

FRS 13 "Fair Value Measurement" (effective 1 January 2013)

Amendment to IAS 27 "Separate Financial Statements" (effective 1 January 2013)

Amendment to IAS 28 "Investments in Associates and Joint Ventures" (effective 1 January 2013)

Amendment to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2013)

Annual Improvements 2011 (effective 1 January 2013)

2.2 Consolidation

The Group financial statements consolidate the financial statements of AssetCo Plc and the entities it controls (its subsidiaries) drawn up to 30 September each year.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies and 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 and continue to be consolidated until the date that control ceases. Control comprises the power to govern the financial and operating policies of the investment so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights or by way of contractual agreement.

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. 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 are 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.

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, 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.

The Group recognises revenue in respect of the provision of services to, the construction of facilities and supply of equipment for fire and emergency services in UAE.

a) Rendering of services

Revenue is recognised on performance of the Group's service obligations in respect of the Group's fire service personnel contacts. Deductions are made for any service shortfalls in the period.

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) Construction of facilities

When the outcome of a construction contract can be estimated reliably, contract revenues and associated costs are recognised by reference to the degree of completion of each contract, as measured by the proportion of total costs at the balance sheet date to the estimated total cost of the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that these costs will be recoverable.

The principal estimation technique used by the Group in attributing profit on contracts to a particular period is the preparation of forecasts on a contract by contract basis. These focus on revenues and costs to complete and enable an assessment to be made of the final out-turn of each contract. Consistent contract review procedures are in place in respect of contract forecasting.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately. Contract costs are recognised as expenses in the period in which they are incurred.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is shown as due from customers on construction contracts within trade and other receivables.

Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is shown as due to customers on construction contracts within trade and other payables.

d) 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.

e) 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 Group's functional and presentation currency.

There has been no change in the Group'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 are recognised in the income statement and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies recognised through equity.

c) Foreign operations translation

The consolidated Group accounts are prepared in sterling. Income statements of foreign operations are translated into sterling at the average exchange rates for the period and balance sheets are translated into sterling at the exchange rate ruling on the balance sheet date.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

2.6 Property, plant and equipment

All 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 parts is derecognised. All other repairs and maintenance is charged to the income statement during the financial period in which they are incurred.

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:

Fixtures and fittings	3 – 5 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. Details of revisions in the year, and their related effect, are set out in note 12.

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 operating profit in the income statement.

2.7 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. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. 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.

Factored receivables

Factoring arrangements that do not transfer all economic risks and rewards are accounted for by continuing to recognise the continuing rights over the receivable and by recognising any related obligation to the third party factor.

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.

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.

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability 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.

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 discounted cash flows for similar instruments.

Trade payables

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

2.9 Equity

Issued share capital

Ordinary and deferred 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.

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.

2.10 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.

2.11 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 goodwill or 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.

2.12 **Employee benefits**

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.

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.

2.13 **Dividends**

Dividends are recognised as a liability in the period in which they are authorised. The interim dividend is recognised when it is paid and the final dividend is recognised when it has been approved by shareholders at the Annual General Meeting.

2.14 **Accrued income**

Material income earned from, but not yet invoiced to, customers in the financial period is included within prepayments and accrued income where receipt of such income is reasonably certain.

2.15 **Exceptional items**

Items which are material either because of their size or their nature, and which are non-recurring, are highlighted through separate disclosure. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance. Items which may be included within the exceptional category include:

- costs of restructuring the business;
- significant goodwill or other asset impairments;
- significant movements in provisions; and
- other particularly significant or unusual items.

2.16 **Deferred income**

Deferred income arises when income from customers is received in advance of the period in which the Group is contractually obliged to provide its service. Such income is held within accruals and deferred income and only released to the income statement when the Group has met its related obligations.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

a) Credit risk

The Group's exposure to credit risk is detailed in Note 15.

As at 30 September 2014 the Group had exposure to two customers, with the vast majority of revenue accruing with a department of the Abu Dhabi government, whom are considered to offer an extremely small credit risk.

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 transacts principally in Sterling and Dirhams.

The Group's exposure to currency risk is detailed in Note 19.

Transaction risk in the Group is principally managed by seeking to ensure that sales, payroll costs and purchases are made in the same currency and, if material imbalances are predicted to arise, a decision is made on whether to hedge the exposure.

In relation to translation risk, the Group's current policy is not to hedge the net asset values of the overseas investments although, where appropriate and cost effective facilities are available, local borrowings are utilised to reduce the translation risk.

Cash flow 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 may seek to limit its exposure to fluctuating interest rates by keeping a significant proportion of the Group's borrowings at fixed interest rates.

Financial assets

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

Financial liabilities

The Group has no material cash flow interest rate risk as it has low level of financial liabilities that attract interest. Should this situation change then the Group may manage the risk by using floating to fixed interest rate swaps.

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.

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

Group companies are funded through various shareholders' funds, cash balances, and bank debt, including term loans, asset finance and overdrafts.

	Note	2014 £'000	2013 £'000
Issued share capital	21	**25,474**	25,353
Share premium account	21	**64,941**	62,645
Accumulated reserves		**(75,723)**	(77,976)
		14,692	10,022
Cash and cash equivalents	18	**(5,787)**	(4,134)
Cash held in respect of a bond		**(4,991)**	(4,978)
		3,914	910

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. The Group is not subject to externally impaired capital requirements.

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.

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 Board do not consider that there are any estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

b) *Judgements*

The board do not consider that any 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. 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. Segment information is therefore presented in respect of the group's geographical settlement. No secondary segmental information has been provided as in the view of the directors, the group operates in only one segment, being the provision of management and resources to fire and rescue emergency services. The Directors consider that the chief operating decision maker is the board.

Unallocated comprised the head office.

Analysis of revenue and results by geographical settlement

Year to 30 September 2014

	UAE £'000	Unallocated £'000	Continuing Operations £'000
Revenue			
Revenue to external customers	14,634	—	**14,634**
Total revenue	14,634	—	**14,634**
Segment Result			
EBITDA	3,224	(602)	**2,622**
Depreciation	(22)	—	**(22)**
Operating profit	3,202	(602)	**2,600**
Finance income	3	6	**9**
Finance costs	(356)	—	**(356)**
Profit before tax	2,849	(596)	**2,253**
Income tax	—	—	**—**
Profit for the year	2,849	(596)	**2,253**
Assets and liabilities			
Total segment assets	13,483	3,860	**17,343**
Total segment liabilities	(4,848)	2,221	**(2,627)**
Total net assets	8,635	6,081	**14,716**
Other segment information			
Total capital expenditure	—	—	**—**

Segment result has been calculated by subtracting depreciation and amortisation from EBITDA.

Revenues of approximately £13,822,000 are derived from a single customer within the UAE segment.

The amounts provided to the board with respect to net assets are measured in a manner consistent with that of the financial statements.

The Group is domiciled in the UK and also operates out of branch in UAE. Revenue by destination is not materially different from the turnover by origin shown above. All revenue relates to services.

Analysis of revenue and results by geographical settlement

Year to 30 September 2013

	UAE £'000	Unallocated £'000	Continuing Operations £'000
Revenue			
Revenue to external customers	17,582	65	**17,647**
Total revenue	17,582	65	**17,647**
Segment Result			
EBITDA	2,504	(740)	**1,764**
Depreciation	(26)	—	**(26)**
Operating profit	2,478	(740)	**1,738**
Finance income	36	11	**47**
Finance costs	(526)	—	**(526)**
Profit before tax	1,988	(729)	**1,259**
Income tax	—	—	
Profit for the year	1,988	(729)	**1,259**
Assets and liabilities			
Total segment assets	11,765	1,945	**13,710**
Total segment liabilities	(6,020)	2,219	**(3,801)**
Total net assets	5,745	4,164	**9,909**
Other segment information			
Total capital expenditure	6	—	**6**

Segment result has been calculated by subtracting depreciation and amortisation from EBITDA.

Revenues of approximately £17,025,000 are derived from a single customer within the UAE segment.

The amounts provided to the board with respect to net assets are measured in a manner consistent with that of the financial statements.

The Group is domiciled in the UK and also operates out of branch in UAE. Revenue by destination is not materially different from the turnover by origin shown above. All revenue relates to services.

6. OPERATING PROFIT

The analysis of the components of operating profit is shown below, after charging the following:

	Year to 30 September 2014		Year to 30 September 2013	
	£'000	**£'000**	**£'000**	**£'000**
Depreciation of property, plant and equipment (note 12)		**22**		26
Loss on sale of property, plant and equipment (note 26)		**19**		—
Fees payable to the company's auditor for the audit of the annual accounts	**69**		74	
Fees payable to the company's auditor and its associates for other services: – other services relating to taxation	**—**		2	
		69		76
Operating lease rentals on Group properties		**48**		43
Operating lease rentals on other		**62**		60
Employee benefit expense		**9,973**		9,220
Raw materials and consumables used		**439**		4,178

7. EMPLOYEES AND DIRECTORS

The average number of persons employed by the group (including executive directors) was:

	Year to 30 September 2014 Number	Year to 30 September 2013 Number
Production	**191**	179
Sales	**—**	1
Administration	**2**	3
	193	183

The costs incurred in respect of these employees were:

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Wages and salaries	**9,014**	8,402
Social security costs	**9**	9
Other pension costs	**910**	760
	9,933	9,171

Key management compensation

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Payments made to board directors		
Aggregate fees and emoluments	**402**	602

There were £36,000 pension contributions made to key management (2013: £16,000).

Total emoluments include the following amounts in respect of the highest paid director:

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Salary and benefits	**221**	277

The directors consider the executive directors to be the key management.

8. FINANCE INCOME AND FINANCE COSTS

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Interest payable on bank borrowings	**(356)**	(526)
Bank interest receivable	**9**	47
	(347)	(479)

9. DIVIDENDS

A final dividend for 2014 has not been recommended (2013: £nil).

10. INCOME TAX

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Current Taxation		
UK Corporation Tax at 22% (2013: 23.5%) – Current Period	**—**	—
– Prior Period	**—**	—
Total Current Tax	**—**	—
Income Tax Credit	**—**	—

The difference between the loss on ordinary activities at an effective corporation tax rate of 22% (2013: 23.5%) ruling in the UK and the actual current tax shown above is explained below:

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Profit on ordinary activities before taxation	**2,253**	1,259
Tax on profit on ordinary activities at a standard rate of 22% (2013: 23.5%)	**496**	296
Factors affecting tax charge for the period:		
Income not taxable	**(627)**	(526)
Tax losses utilised	**131**	230
	—	—

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly the group's profit for this accounting year is taxed at an effective rate of 22%. As a result of the change in the UK corporation tax rate to 20% from 1 April 2015, which was substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured at 20%.

11. EARNINGS PER SHARE

a) 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 2014 £'000	Year to 30 September 2013 £'000
Profit for the year	**2,253**	1,259
Weighted average number of ordinary shares in issue	**11,908,551**	11,000,713
Basic profit per share (EPS) – pence	**18.92**	11.44

b) 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 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 warrants, the warrants were exercisable up until 31 December 2013 at a price of £2.00 each warrant. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. As at 30 September 2013 there were 3,500,000 warrants which could have been convertible at £2.00 each. On 3 January 2014 various shareholders exercised warrants to subscribe for 1,210,450 new ordinary shares at 10p each at a price of £2.00 per share.

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Profit for the year	**2,253**	1,259
Weighted average number of ordinary shares in issue	**12,207,993**	12,431,238
Diluted profit per share (EPS) – pence	**18.46**	10.13

Following the issue of the new ordinary shares the company's enlarged issued share capital comprises 12,211,163 shares. As a result, and expiration of the deadline for exercising warrants outstanding being 31 December 2013, there are no further warrant instruments outstanding that may be exercised.

12. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000	Total £'000
Cost		
At 1 October 2012	136	**136**
Additions	6	**6**
At 30 September 2013	142	**142**
Disposals	(38)	**(38)**
At 30 September 2014	104	**104**
Accumulated depreciation		
At 1 October 2012	62	**62**
Charge for the year	26	**26**
At 30 September 2013	88	**88**
Disposals	(18)	**(18)**
Charge for the year	22	**22**
At 30 September 2014	92	**92**
Net book amount		
At 30 September 2014	12	**12**
At 30 September 2013	54	**54**

Depreciation

Depreciation expense of £nil (2013: £nil) has been charged in cost of sales and £22,000 (2013: £26,000) in administrative expenses.

Security

As at 30 September 2014 (2013: £nil) the Group provided no security in respect of property, plant and equipment.

13. EMPLOYEE BENEFIT OBLIGATIONS

Overseas schemes

The Abu Dhabi based branch of AssetCo plc contributes towards a statutory pension scheme to the Abu Dhabi Government. The total cost in the year for this scheme was £910,000 (2013: £760,000).

14. INVENTORIES

	30 September 2014 £'000	30 September 2013 £'000
Work in progress	**333**	29
	333	29

The net movement in the inventory provision resulted in £nil (2013: £nil) being recognised in the cost of sales.

As at 30 September 2014 inventories of £nil (2013: £nil) were pledged as security.

15. TRADE AND OTHER RECEIVABLES

	30 September 2014 £'000	30 September 2013 £'000
Trade receivables	**5,132**	3,676
Other receivables	**149**	67
Prepayments and accrued income	**939**	772
	6,220	4,515

Due to their short-term nature the carrying value of trade and other receivables approximates to their fair value.

Trade and other receivables held in AED amounted to £5,275,000 (2013: £3,742,000).

No impairment provision has been made against trade and other receivables. Trade receivables that have not been received within the agreed payment terms are classified as overdue. The ageing of amounts due as at 30 September 2014 and 2013 excluding impairment are as follows:

	30 September 2014 £'000	30 September 2013 £'000
Not yet due	**1,445**	2,150
Past due but not more than 30 days	**1,384**	1,031
Past due more than 30 days but not more than 60 days	**1,145**	—
Past due more than 60 days	**1,158**	495
	5,132	3,676

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above. The group does not hold any collateral as security.

There is a material concentration of credit risk due to the Group's individual material trade debts being predominantly with the Abu Dhabi government. However, these are nationally backed and have a AAA credit rating as well as there being a strong history of collection of trade debts due.

As of 30 September 2014, trade receivables of £nil (2013: £nil) were impaired. The amount of the provision was £nil (2013: £nil).

Movement in the provision for doubtful debts is as follows:

	30 September 2014 £'000	30 September 2013 £'000
Balance at beginning of year	—	—
Income statement charge	—	—
Disposal of businesses	—	—
Balance at end of year	—	—

16. TRADE AND OTHER PAYABLES

	30 September 2014 £'000	30 September 2013 £'000
Trade payables	**1,108**	909
Other payables	**504**	2,213
Other taxation and social security	**4**	4
Accruals and deferred income	**1,011**	676
	2,627	3,802

Due to their short-term nature the carrying value of trade and other payables approximates to their fair value.

Trade payables held in AED amounted to £1,019,000 (2013: £873,000).

17. DERIVATIVE FINANCIAL INSTRUMENTS

The objectives, policies, and strategies associated with the use of derivative financial instruments can be found under the financial instruments section of the basis of preparation note.

Fair values of financial liabilities

At 30 September 2014 there were no interest rate swaps in place (2013: £nil).

18. CASH AND CASH EQUIVALENTS

	2014 £'000	2013 £'000
Cash in bank and hand	**5,787**	4,134
Cash and cash equivalents	**5,787**	4,134

Cash and cash equivalents (excluding bank overdrafts)

	2014 £'000	2013 £'000
UK sterling	**3,840**	1,932
A E Dirhams	**1,947**	2,202
	5,787	4,134

Cash and cash equivalents receive interest at the floating rate and are carried on the balance sheet at a value approximate to their fair values.

In addition to the above A E Dirhams amounting to £4,991,000 (2013: £4,978,000) were held on deposit as security in respect of outstanding performance bonds and an advance payment guarantee. Please see note 27 – Contingent Liabilities for further information.

19. BORROWINGS

As at 30 September 2014 there were total borrowings of £nil (2013: £nil).

Maturity analysis of financial liabilities

The following disclosures show the maturity profile of gross undiscounted cash flows of financial liabilities excluding accruals and deferred income as at 30 September 2014:

Maturity of financial liabilities

	Total £'000	Trade and other payables £'000	Other payables £'000	Other taxation and social security £'000
In one year or less	1,616	1,108	504	4
	1,616	**1,108**	**504**	**4**

Currency risk

The Group has used a sensitivity technique that measures the estimated change to the fair value of the Group's financial instruments of a 10% strengthening in sterling against all other currencies, from the closing rates as at 30 September 2014, with all other variables remaining constant. A 10% variation would have had an impact on the balance sheet of £972,000. All of this charge would be taken to the income statement.

	UK sterling £'000	AE Dirhams £'000	Total £'000	10% £'000
Financial assets	3,860	13,138	16,998	**1,194**
Financial liabilities	(186)	(2,441)	(2,627)	**(222)**
	3,674	10,697	14,371	**972**

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless the analysis above is considered to be representative of the Group's exposure to currency risk.

20. FINANCIAL ASSETS AND LIABILITIES

The following tables illustrate the categorisation and carrying value of financial assets and liabilities as at 30 September 2014:

Financial assets

	Loans and receivables £'000	Total 30 September 2014 £'000	Total 30 September 2013 £'000
Trade and other receivables	6,220	**6,220**	4,515
Cash and cash equivalents	5,787	**5,787**	4,134
Cash held in respect of a bond	4,991	**4,991**	4,978
	16,998	**16,998**	13,627

Financial liabilities

	Fair value through profit and loss £'000	Financial liabilities measured at amortised cost £'000	Total 30 September 2014 £'000	Total 30 September 2013 £'000
Trade and other payables	—	2,627	**2,627**	3,801
	—	**2,627**	**2,627**	3,801

21. SHARE CAPITAL

a) Issued and fully paid:

	Number of Ordinary Shares					Number of Deferred Shares				Ordinary Share Capital	Deferred Share Capital	Share Premium
	25p	1p	0.01p	10p	Total	24p	0.99p	495p	Total	£'000	£'000	£'000
At 1 April 2011	90,712,740	—	—	—	90,712,740	—	—	—	—	22,678	—	29,288
March 2011 Placing and Capital Reorganisation												
Capital Re-organisation	(90,712,740)	90,712,740	—	—	—	90,712,740	—	—	90,712,740	(21,771)	21,771	—
Issue of Ordinary Shares of 1p each	—	160,000,000	—	—	160,000,000	—	—	—	—	1,600	—	13,498
September 2011 Placing and Capital Reorganisation												
Capital Re-organisation	—	(250,712,740)	250,712,740	—	—	—	250,712,740	—	250,712,740	(2,482)	2,482	—
Share Consolidation	—	—	(250,712,740)	250,713	(250,462,027)	—	(250,712,740)	501,425	(250,211,315)	—	—	—
Share Exchange	—	—	—	3,750,000	3,750,000	—	—	—	—	375	—	7,125
Issue of Ordinary Shares of 10p each	—	—	—	7,000,000	7,000,000	—	—	—	—	700	—	12,734
At 30 September 2011	—	—	—	11,000,713	11,000,713	90,712,740	—	501,425	91,214,165	1,100	24,253	62,645
At 30 September 2012	—	—	—	11,000,713	11,000,713	90,712,740	—	501,425	91,214,165	1,100	24,253	62,645
At 30 September 2013	—	—	—	11,000,713	11,000,713	90,712,740	—	501,425	91,214,165	1,100	24,253	62,645
September 2011 Placing and Capital Reorganisation												
Warrants exercised	—	—	—	1,210,450	1,210,450	—	—	—	—	121	—	2,296
At 30 September 2014	—	—	—	12,211,163	12,211,163	90,712,740	—	501,425	91,214,165	1,221	24,253	64,941

In July 2009 the Company issued 17,333,334 Ordinary Shares of 25p for an issue price of 45p each.

In March 2011 the Company implemented a capital re-organisation whereby each Ordinary Share of 25p was sub-divided into 1 Ordinary Share with a nominal value of 1p and 1 Deferred Share with a nominal value of 24p. Immediately following this capital re-organisation 160,000,000 Ordinary Shares of 1p were issued for an issue price of 10p each.

In September 2011 the Company implemented a further capital re-organisation whereby each Ordinary Share of 1p was sub-divided into 1 Ordinary Share with a nominal value of 0.01p and each Deferred Share of 24p was sub-divided into 1 Deferred Share with a nominal value of 0.99p. Immediately following the implementation of this a share consolidation was implemented whereby 1000 Ordinary Shares with a nominal value of 0.01p each were consolidated into 1 Ordinary Share with a nominal value of 10p and 500 Deferred Shares with a nominal value of 0.99p each were consolidated into 1 Deferred Share with a nominal value of 495p.

The rights attaching to Deferred Shares are set out in the Company's Articles of Association and are minimal. They do not carry any voting rights or dividend rights.

Following the September 2011 capital re-organisation 3,750,000 Ordinary Shares with a nominal value of 10p each were issued in consideration for the purchase of £15m Preference Shares in AssetCo (Abu Dhabi) Limited and 7,000,000 Ordinary Shares with a nominal value of 10p each were issued for an issue price of 200p. In addition 3,500,000 of warrants were issued, on the basis of 1 warrant for every 2 ordinary share subscribed for, and these were exercisable up until 31 December 2013 at a price of 200p each.

The fair value of the consideration for the purchase of the Preference Shares is considered to be £7.5m.

Following the Company's adoption of new Articles of Association in September 2011, and in accordance with the Companies Act 2006, the share capital has no authorised limit (2013: no authorised limit). All issued shares are fully paid.

On 3 January 2014 various shareholders exercised warrants to subscribe for 1,210,450 new ordinary shares at 10p each at a price of £2.00 per share.

Following the issue of the new ordinary shares the company's enlarged issued share capital comprises 12,211,163 shares. As a result, and expiration of the deadline for exercising warrants outstanding being 31 December 2013, there are no further warrant instruments outstanding that may be exercised.

22. TAX LIABILITIES AND DEFERRED TAXATION

Deferred taxation

There was no deferred tax asset or liability recognised at the balance sheet dates.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences relate to losses, the availability of the losses to offset against future profitability is also considered. The directors consider that given the circumstances explained above there is no basis on which to recognise deferred tax assets at 30 September 2013 or 30 September 2014. The unrecognised asset in respect of tax losses at 30 September 2014 amounts to £1,197,000 (2013: £1,267,000).

23. INVESTMENTS

Details of Group companies can be found in Note 24 to the financial statements.

24. GROUP UNDERTAKINGS

A full list of group undertakings for AssetCo plc are filed with the Annual Return at Companies House. There were no Group investments in associates and interests in joint ventures as at the balance sheet date.

25. FUTURE CAPITAL COMMITMENTS

	2014 £'000	2013 £'000
Contracted for but not provided in these financial statements	**—**	—

Operating lease 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:

	2014 Property £'000	2013 Property £'000	2014 Other £'000	2013 Other £'000
Within one year	**21**	12	**120**	—
More than one year and less than five years	**—**	—	**171**	—
After five years	**—**	—	**—**	—
	21	12	**291**	—

The property lease commitment includes £12,000 (2013: £nil).

The business leases the commercial property from which it operates. All leases were taken at the open market rent for the property prevailing at the outset of the lease. Lease renewals in respect of property are governed by the laws of the countries in which the leases are held. There are no purchase rights to any of the leased properties and no contingent rents are payable. None of the leases imposes financial or operating restrictions upon the business other than those associated with planning laws.

26. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH USED FROM OPERATIONS

	30 September 2014 £'000	30 September 2013 £'000
Profit for the year before taxation	**2,253**	1,259
Depreciation and impairment (note 12)	**22**	26
Loss on sale of property, plant, and equipment	**19**	—
Interest expense (note 8)	**356**	526
Interest received (note 8)	**(9)**	(47)
(Increase)/decrease in inventories	**(304)**	348
(Increase)/decrease in debtors	**(1,720)**	227
Decrease in creditors	**(997)**	(3,188)
Cash used from operations	**(380)**	(849)

Analysis of net cash

	2014 £'000	2013 £'000
Cash at bank and in hand	**5,787**	4,134
	5,787	4,134

There was net cash of £5,787,000 as at 30 September 2014, (2013: £4,134,000) and cash held in respect of bonds of £4,991,000 (2013: £4,978,000).

27. CONTINGENT LIABILITIES

During the period to 30 September 2011 the Group entered into a Performance Bond relating to a UAE based contract that would determine a potential liability of 10% of the total contract value upon failure to fulfill all the terms of the contract. This liability initially equated to a maximum of approximately £4m but subsequently increased to a maximum of approximately £5m as a result of a contract extension. During the 2015 financial year the customer has confirmed that all contractual terms have been met and consequently in February 2015 the potential liability under this Bond reduced to 5% of the contract value, approximately £2.5m. This will reduce further to 0% upon expiration of associated warranty periods which is expected to occur in approximately July 2017.

During the period to 30 September 2011 the Group also provided an "Advanced Payment Guarantee" of approximately £8m in connection to a UAE based contract. The guarantee provided for the repayment in part or full of payments received from the customer in advance of contractual service delivery. The guarantee was released in full by 31 October 2014.

During the period to 30 September 2014 the Group entered into a second Performance Bond, relating to a contract replacing that referred to above, and that would determine a potential liability of approximately £2m upon failure to fulfill all the terms of the contract. It is expected that this will reduce to approximately £1m during the 2017 financial year and then will be released in full during the 2020 financial year.

During the period to 30 September 2014 the Group also entered into a third Performance Bond, relating to a further UAE based contract, that would determine a potential liability of 10% of the total contract value upon failure to fulfil all the terms of the contract. The potential liability equates to approximately £0.1m and is expected to be released May 2015.

28. 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.

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

Remuneration of the Directors

		Salary 2014 £'000	Bonus 2014 £'000	Benefits in Kind 2014 £'000	Total emoluments 2014 £'000	Salary 2013 £'000	Benefits in Kind 2013 £'000	Total emoluments 2013 £'000
Tudor Davies	i	**70**	**—**	**—**	**70**	70	—	70
Gareth White	ii	**40**	**—**	**31**	**71**	209	68	277
Jeff Ord	iii	**144**	**32**	**45**	**221**	153	53	206
Total		**254**	**32**	**76**	**362**	432	121	553

i. Tudor Davies was appointed Executive Chairman on 23 March 2011.

ii. Gareth White was appointed to the board on 11 April 2012 and passed away on 13 December 2013.

iii. Jeff Ord was appointed to the board on 11 April 2012.

Non-executive directors' remuneration

		2014 £'000	2013 £'000
Andrew Freemantle	iv	**—**	9
Mark Butcher	v	**20**	20
Christopher Mills	vi	**20**	20
Total		**40**	49

iv. Andrew Freemantle resigned as a non-executive director on 1 October 2012.

v. Mark Butcher was appointed as a non-executive director on 24 October 2012.

vi. Christopher Mills was appointed as a non-executive director on 23 March 2011.

Consultancy services were provided by Cadoc Limited, a company associated with Tudor Davies, to AssetCo plc during the year at a cost £161,000 (2013: £282,000) whilst at the balance sheet date an accrual was held in this respect of £21,000 (2013: £40,000).

29. POST BALANCE SHEET EVENTS

On the 2 November 2014 the Group entered into a new five year contract with a UAE based company. Along with the provision of manpower services and supply of vehicles and equipment it also provided a Performance Bond for this contract equating to approximately £0.1m. This is expected to lapse in November 2019.

Report of the independent auditors to the members of AssetCo plc
(company financial statements)

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 30 September 2014;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Company financial statements (the "financial statements"), which are prepared by AssetCo plc, comprise:

- the Company Balance Sheet as at 30 September 2014; and
- the notes to the Company financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

We have reported separately on the Group financial statements of AssetCo plc for the year ended 30 September 2014.

Andrew Hammond *(Senior Statutory Auditor)*
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Birmingham

25 March 2015

Company Balance Sheet

As at 30 September 2014

	Notes	30 September 2014		30 September 2013	
		£'000	**£'000**	**£'000**	**£'000**
NET ASSETS EMPLOYED					
Fixed assets					
Investments in subsidiaries	6		**—**		—
Tangible fixed assets	7		**12**		54
Cash held in respect of a bond			**2,482**		2,489
Current assets					
Stocks – work in progress		**333**		29	
Debtors	8	**6,220**		4,515	
Cash held in respect of a bond		**2,509**		2,489	
Cash at bank and in hand		**5,787**		4,134	
		14,849		11,167	
Current liabilities					
Creditors – Amounts falling due within one year	9	**(2,627)**		(3,731)	
		(2,627)		(3,731)	
Net current assets			**12,222**		7,436
Total assets less current liabilities and net assets			**14,716**		9,979
REPRESENTED BY					
Called up share capital	11		**25,474**		25,353
Share premium account	11		**64,941**		62,645
Profit and loss reserve	3		**(75,699)**		(78,019)
Shareholders' funds	12		**14,716**		9,979

The financial statements on pages 45 to 54 were approved on behalf of the Board of Directors and signed by Tudor Davies on 25 March 2015.

Registered number: 04966347

Notes to the Company Financial Statements

for the year ended 30 September 2014

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.

2. BASIS OF PREPARATION

The separate financial statements of the Company are presented in accordance with the Companies Act 2006. They have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

In accordance with section 400 of the Companies Act 2006 the company is exempt from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking which is publicly available.

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard 1 (revised 1996) "Cash flow Statements", as it is a wholly owned subsidiary undertaking and the ultimate parent undertaking prepares a consolidated cash flow statement which is publicly available.

The principal accounting policies are summarised below and have been applied consistently in both periods presented.

Investments

Investments in subsidiary companies are stated at cost, less provisions for diminution in carrying value. Provisions are calculated with reference to value in use, adjusted for relevant debt.

Fixed assets

Fixed assets are 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 company and the cost of the item can be measured reliably. The carrying amount of the replaced parts is derecognised. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

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:

Fixtures and fittings	5 years

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.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within operating profit in the profit and loss account.

Cash at bank and in hand

Cash at bank and in hand 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. Where the Company does not have immediate access to cash, it is separately classified in the balance sheet.

Accrued income

Material income earned from, but not yet invoiced to, customers in the financial period is included within prepayments and accrued income where receipt of such income is reasonably certain.

Deferred income

Deferred income arises when income from customers is received in advance of the period in which the company is contractually obliged to provide its service. Such income is held within accruals and deferred income and only released to the profit and loss account when the Company has met its related obligations.

Tax

Tax on ordinary activities is provided on taxable profits/(losses) using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Share capital

Ordinary shares are classified as Shareholders' funds.

Share premium

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

Factored receivables

Factoring arrangements that do not transfer all economic risks and rewards are accounted for by continuing to recognise the continuing rights over the receivable and by recognising any related obligation to the third party factor.

Dividends

Dividends are recognised as a liability in the period in which they are authorised. The interim dividend is recognised when it is paid and the final dividend is recognised when it has been approved by shareholders at the Annual General Meeting.

Foreign currency

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 are recognised in the profit and loss account.

Foreign operations translation

Balance sheets are translated into sterling at the exchange rate prevailing on the balance sheet date and gains or losses arising from the translation recognised through Shareholders' funds.

Stocks – work in progress

Work in progress is valued at the lower of cost and net realisable value. The valuation of work in progress does not include the addition of any overhead as there is no manufacturing process, simply the management of equipment sourcing.

3. PROFIT AND LOSS ACCOUNT

The parent company has taken advantage of Section 408 of the Companies Act 2006 allowing it not to publish a separate profit and loss account. The profit for the year ended 30 September 2014 was £2,183,000 (2013: profit of £1,009,000). Auditors' remuneration for audit services to the company was £69,000 (2013: £76,000).

	2014 £'000
At beginning of year	**(78,019)**
Profit for the year	**2,183**
Foreign exchange	**137**
At close of year	**(75,699)**

4. EMPLOYEES AND DIRECTORS

The average number of persons employed by the Company (including executive Directors) was:

	Year to 30 September 2014 Number	**Year to 30 September 2013 Number**
Production	**191**	179
Sales	**—**	1
Administration	**2**	3
	193	183

The costs incurred in respect of these employees were:

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Wages and salaries	**9,014**	8,402
Social security costs	**9**	9
Other pension costs	**910**	760
	9,933	9,171

The above includes redundancy payments of £nil (2013: £nil).

5. DIVIDENDS

A final dividend for 2014 has not been proposed (2013: £nil).

6. INVESTMENTS IN SUBSIDIARIES

	2014 £'000	2013 £'000
Company		
Shares in Group companies	**—**	—

	2014 £'000	2013 £'000
Cost		
At beginning of period	**7,500**	7,500
At end of period	**7,500**	7,500
Provision for impairment		
At beginning of period	**(7,500)**	(7,500)
At end of period	**(7,500)**	(7,500)
Carrying value	**—**	—

All subsidiary companies as at 30 September 2014 were wholly owned.

There were no additions during the period (2013:£nil).

A full list of subsidiary undertakings is filed with the Annual Return at Companies House.

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £'000	Total £'000
Cost		
At 30 September 2013	142	**142**
Disposals	(38)	**(38)**
At 30 September 2014	104	**104**
Accumulated depreciation		
At 30 September 2013	88	**88**
Charge for the period	22	**22**
Disposals	(18)	**(18)**
At 30 September 2014	92	**92**
Net book value		
At 30 September 2014	**12**	**12**
At 30 September 2013	54	54

8. DEBTORS

	2014 £'000	2013 £'000
Trade debtors	**5,132**	3,676
Other debtors	**136**	59
Taxation and social security	**13**	8
Prepayments and accrued income	**939**	772
	6,220	4,515

9. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	**1,108**	908
Other creditors	**504**	325
Amounts owed in respect of factored receivables	**—**	1,818
Taxation and social security	**4**	4
Accruals and deferred income	**1,011**	676
	2,627	3,731

10. DEFERRED TAX

There is no provision for deferred taxation in the parent company. Deferred tax assets not recognised in the parent company are as follows:

	2014 £'000	2013 £'000
Tax losses	**1,197**	1,267

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences relate to losses, the availability of the losses to offset against future profitability is also considered. The directors consider that given the circumstances explained above there was no basis on which to recognise the deferred tax asset at 30 September 2013 and 30 September 2014.

11. SHARE CAPITAL

a) Issued and fully paid:

	Number of Ordinary Shares					Number of Deferred Shares				Ordinary Share Capital	Deferred Share Capital	Share Premium
	25p	1p	0.01p	10p	Total	24p	0.99p	495p	Total	£'000	£'000	£'000
At 1 April 2011	90,712,740	—	—	—	90,712,740	—	—	—	—	22,678	—	29,288
March 2011 Placing and Capital Reorganisation												
Capital Re-organisation	(90,712,740)	90,712,740	—	—	—	90,712,740	—	—	90,712,740	(21,771)	21,771	—
Issue of Ordinary Shares of 1p each	—	160,000,000	—	—	160,000,000	—	—	—	—	1,600	—	13,498
September 2011 Placing and Capital Reorganisation												
Capital Re-organisation	—	(250,712,740)	250,712,740	—	—	—	250,712,740	—	250,712,740	(2,482)	2,482	—
Share Consolidation	—	—	(250,712,740)	250,713	(250,462,027)	—	(250,712,740)	501,425	(250,211,315)	—	—	—
Share Exchange	—	—	—	3,750,000	3,750,000	—	—	—	—	375	—	7,125
Issue of Ordinary Shares of 10p each	—	—	—	7,000,000	7,000,000	—	—	—	—	700	—	12,734
At 30 September 2011	—	—	—	11,000,713	11,000,713	90,712,740	—	501,425	91,214,165	1,100	24,253	62,645
At 30 September 2012	—	—	—	11,000,713	11,000,713	90,712,740	—	501,425	91,214,165	1,100	24,253	62,645
At 30 September 2013	—	—	—	11,000,713	11,000,713	90,712,740	—	501,425	91,214,165	1,100	24,253	62,645
September 2011 Placing and Capital Reorganisation												
Warrants exercised	—	—	—	1,210,450	1,210,450	—	—	—	—	121	—	2,296
At 30 September 2014	—	—	—	12,211,163	12,211,163	90,712,740	—	501,425	91,214,165	1,221	24,253	64,941

In July 2009 the Company issued 17,333,334 Ordinary Shares of 25p for an issue price of 45p each.

In March 2011 the Company implemented a capital re-organisation whereby each Ordinary Share of 25p was sub-divided into 1 Ordinary Share with a nominal value of 1p and 1 Deferred Share with a nominal value of 24p. Immediately following this capital re-organisation 160,000,000 Ordinary Shares of 1p were issued for an issue price of 10p each.

In September 2011 the Company implemented a further capital re-organisation whereby each Ordinary Share of 1p was sub-divided into 1 Ordinary Share with a nominal value of 0.01p and each Deferred Share of 24p was sub-divided into 1 Deferred Share with a nominal value of 0.99p. Immediately following the implementation of this a share consolidation was implemented whereby 1000 Ordinary Shares with a nominal value of 0.01p each were consolidated into 1 Ordinary Share with a nominal value of 10p and 500 Deferred Shares with a nominal value of 0.99p each were consolidated into 1 Deferred Share with a nominal value of 495p.

The rights attaching to Deferred Shares are set out in the Company's Articles of Association and are minimal. They do not carry any voting rights or dividend rights.

Following the September 2011 capital re-organisation 3,750,000 Ordinary Shares with a nominal value of 10p each were issued in consideration for the purchase of £15m Preference Shares in AssetCo (Abu Dhabi) Limited and 7,000,000 Ordinary Shares with a nominal value of 10p each were issued for an issue price of 200p. In addition 3,500,000 of warrants were issued, on the basis of 1 warrant for every 2 ordinary share subscribed for, and these were exercisable up until 31 December 2013 at a price of 200p each.

The fair value of the consideration for the purchase of the Preference Shares is considered to be £7.5m.

Following the Company's adoption of new Articles of Association in September 2011, and in accordance with the Companies Act 2006, the share capital has no authorised limit (2013: no authorised limit). All issued shares are fully paid.

On 3 January 2014 various shareholders exercised warrants to subscribe for 1,210,450 new ordinary shares at 10p each at a price of £2.00 per share.

Following the issue of the new ordinary shares the company's enlarged issued share capital comprises 12,211,163 shares. As a result, and expiration of the deadline for exercising warrants outstanding being 31 December 2013, there are no further warrant instruments outstanding that may be exercised.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Profit for the year	**2,183**	1,009
Foreign exchange	**137**	(231)
Profit for the year	**2,320**	778
New share capital susbcribed	**2,417**	—
Opening shareholders' funds	**9,979**	9,201
Closing shareholders' funds	**14,716**	9,979

13. CONTINGENT LIABILITIES

During the period to 30 September 2011 the Group entered into a Performance Bond relating to a UAE based contract that would determine a potential liability of 10% of the total contract value upon failure to fulfill all the terms of the contract. This liability initially equated to a maximum of approximately £4m but subsequently increased to a maximum of approximately £5m as a result of a contract extension. During the 2015 financial year the customer has confirmed that all contractual terms have been met and consequently in February 2015 the potential liability under this Bond reduced to 5% of the contract value, approximately £2.5m. This will reduce further to 0% upon expiration of associated warranty periods which is expected to occur in approximately July 2017.

During the period to 30 September 2011 the Group also provided an “Advanced Payment Guarantee” of approximately £8m in connection to a UAE based contract. The guarantee provided for the repayment in part or full of payments received from the customer in advance of contractual service delivery. The guarantee was released in full by 31 October 2014.

During the period to 30 September 2014 the Group entered into a second Performance Bond, relating to a contract replacing that referred to above, and that would determine a potential liability of approximately £2m upon failure to fulfill all the terms of the contract. It is expected that this will reduce to approximately £1m during the 2017 financial year and then will be released in full during the 2020 financial year.

During the period to 30 September 2014 the Group also entered into a third Performance Bond, relating to a further UAE based contract, that would determine a potential liability of 10% of the total contract value upon failure to fulfil all the terms of the contract. The potential liability equates to approximately £0.1m and is expected to be released May 2015.

14. RELATED PARTY TRANSACTIONS

Transactions between the company and its wholly owned subsidiaries, which are related parties, are not disclosed in this note as the Company has taken advantage of the exemption in FRS8. The company has no transactions or balances with its non-wholly owned subsidiaries.

Consultancy services were provided by Cadoc Limited, a company associated with Tudor Davies, to AssetCo plc during the year at a cost £161,000 (2013: £282,000) whilst at the balance sheet date an accrual of £21,000 was held (2013: £40,000).

Other related party transactions are disclosed in note 28 to the consolidated financial statements.

15. POST BALANCE SHEET EVENTS

On the 2 November 2014 the Group entered into a new five year contract with a UAE based company. Along with the provision of manpower services and supply of vehicles and equipment it also provided a Performance Bond for this contract equating to approximately £0.1m. This is expected to lapse in November 2019.