AssetCo plc

Annual report and financial statements

Year ended 30 September 2013

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

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Chairman's statement

Introduction

The results for the year ended 30 September 2013 reflect continued trading from the Group's outsourced fire and rescue operations in the Middle East. The major contract with the Abu Dhabi Government has continued under similar terms since it expired in April 2013; and now that the specifications and scope for future periods have been documented we expect to sign the final form of a new contract in the near future.

Results

The Consolidated Income Statement for the year shows an Operating profit of £1.7m (2012: £3.4m) on Revenue of £17.6m (2012: £15.9m) and a Profit before tax of £1.3m (2012: £2.9m). The reduction in Operating profit compared to the prior year is principally due to: the absence of £0.8m of one-off consultancy income; one-off costs of approximately £0.6m relating to the completion of the construction portion of the Abu Dhabi contract; £0.4m in relation to the independent investigation of the audit of past financial statements and the preparation of claims associated with the audit of financial statements prior to September 2011. We anticipate completing the final particulars of a professional negligence claim, currently estimated to be in the region of £40m – £50m, against the former auditors during the course of the year.

Current Trading

Trading continues to be in line with management expectations, and as I indicated above we are close to finalisation of a contract to continue our outsourced fire and rescue operations to the Abu Dhabi Government for a contracted period until November 2016.

We will keep shareholders updated on our progress during the year.

Tudor Davies
28 March 2014

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 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.

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 2013.

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 at contract level 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 this contract 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, 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 principal 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 renewing 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 the potential for financial penalties should it fail to meet these. 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 therefore focus is placed upon 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 2012 until 30 September 2013.

Results

The consolidated financial statements are set out on pages 12 to 53.

Dividend

The Directors do not propose a dividend this year (2012: £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 25.

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 2013 No.	At 30 September 2012 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 28 March 2014 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 (formerly North Atlantic Value LLP)	5,915,779	48.4%
Henderson Global Investors Limited	3,558,689	29.1%
Utilico Group	2,379,986	19.5%

Business Combinations and Disposals

There have been no business combinations or disposals during the period. Details of the Group's disposals during the 2012 financial year can be found in Note 5 to the consolidated financial statements.

Post Balance Sheet Events

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

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 2013, 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 other Executive Directors 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 on the part of line and financial management for good financial controls in the production of accurate and 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 monthly reporting 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 Company and 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 the Group 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.

In so far the Directors are aware:

- there is no relevant audit information of which the Company auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The financial statements for the year to September 2013 and previous accounting periods are available to view on this website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2013 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 2013;
- 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 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.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report and Accounts ("Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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 to identify material inconsistencies with the audited consolidated 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 consolidated financial statements are prepared is consistent with the consolidated 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.

Other information in the Annual Report

Under ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited Group financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

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 2013.

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

28 March 2014

Consolidated Income Statement

for the year ended 30 September 2013

	Notes	Year to 30 September 2013 Continuing £'000	Year to 30 September 2012 Continuing £'000	Year to 30 September 2012 Discontinued £'000
Revenue	6	**17,647**	15,923	19,802
Cost of sales		**(13,714)**	(10,927)	(11,794)
Gross profit		**3,933**	4,996	8,008
Administrative expenses		**(2,195)**	(1,618)	(5,284)
Operating profit	7	**1,738**	3,378	2,724
Profit from disposal of businesses		**—**	—	81,788
Finance income	9	**47**	51	19
Finance costs	9	**(526)**	(492)	(2,841)
Loss on fair value of financial instruments	24	**—**	—	(303)
Profit before tax		**1,259**	2,937	81,387
Income tax credit	11	**—**	1,096	—
Profit for the period		**1,259**	4,033	81,387
Discontinued operations				
Profit for the period from discontinued operations		**—**	81,387	
Profit for the period		**1,259**	85,420	
Earnings per share(EPS)			**Restated**	
Basic – pence				
Continuing operations	12	**11.44**	36.66	
Discontinued operations	12	**—**	739.83	
Diluted – pence				
Continuing operations	12	**10.13**	35.54*	
Discontinued operations	12	**—**	717.16*	

* – The prior year diluted earnings per share has been restated. Further detail is provided in note 12 to the financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2013

	Notes	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Recognised profit for the period		**1,259**	85,420
Other comprehensive income			
Exchange differences on translating foreign operations		**(231)**	11
Actuarial losses on defined benefit pensions plan	15	**—**	(1,288)
Other comprehensive income, net of tax		**(231)**	(1,277)
Total comprehensive income for the period		**1,028**	84,143

Consolidated Statement of Financial Position
as at 30 September 2013

	Notes	30 September 2013 £'000	30 September 2012 £'000
Assets			
Non-current assets			
Property, plant and equipment	13	**54**	74
Cash held in respect of bond		**2,489**	2,042
Total non-current assets		**2,543**	2,116
Current assets			
Inventories	16	**29**	377
Trade and other receivables	17	**4,515**	5,838
Cash and cash equivalents (excluding bank overdrafts)	21	**4,134**	5,266
Cash held in respect of bond		**2,489**	2,042
Total current assets		**11,167**	13,523
Total assets		**13,710**	15,639
Shareholders' equity			
Share capital	25	**25,353**	25,353
Share premium	25	**62,645**	62,645
Foreign currency translation reserve		**(113)**	118
Profit and loss account		**(77,976)**	(79,235)
Total equity		**9,909**	8,881
Liabilities			
Current liabilities			
Trade and other payables	18/19	**3,801**	6,758
Total current liabilities		**3,801**	6,758
Total liabilities		**3,801**	6,758
Total equity and liabilities		**13,710**	15,639

The notes on pages 17 to 53 are an integral part of these consolidated financial statements. The financial statements were authorised for issue by the board of directors on 28 March 2014 and were signed on its behalf by T G Davies.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2013

	Share capital £'000	Reverse acquisition reserve £'000	Foreign currency translation reserve £'000	Profit and loss reserve £'000	Share premium £'000	Total equity £'000
Balance at 30 September 2011	25,353	(12,644)	107	(150,723)	62,645	**(75,262)**
Profit for the year	—	—	—	85,420	—	**85,420**
Other comprehensive income:						
Exchange differences on translation	—	—	11	—	—	**11**
Actuarial losses on defined benefit pensions	—	—	—	(1,288)	—	**(1,288)**
Reverse acquisition reserve transfer	—	12,644	—	(12,644)	—	**—**
Total comprehensive income for the year	—	12,644	11	71,488	—	**84,143**
Balance at 30 September 2012	25,353	—	118	(79,235)	62,645	**8,881**
Profit for the year	—	—	—	1,259	—	**1,259**
Other comprehensive income:						
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**

The reverse acquisition reserve was transferred to retained earnings following the restructuring of the group's operations in the year to 30 September 2012.

Consolidated Statement of Cash Flows

for the year ended 30 September 2013

	Note	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Cash flows from operating activities			
Cash used in operations	30	**(849)**	(2,842)
Cash deposited in respect of a performance bond		**(894)**	—
Interest paid		**(526)**	(3,316)
Income taxes received		**1,096**	—
Net cash outflows from operating activities		**(1,173)**	(6,158)
Cash flows from investing activities			
Finance income		**47**	70
Purchase of property, plant, and equipment		**(6)**	(167)
Sale of property, plant, and equipment		**—**	138
Net cash generated in investing activities		**41**	41
Cash flows from financing activities			
Issue of shares (net of costs)		**—**	8,041
Repayments of amounts borrowed		**—**	(379)
Finance lease repayments		**—**	(612)
Net cash generated in financing activities		**—**	7,050
Net change in cash and cash equivalents		**(1,132)**	933
Cash, cash equivalents and bank overdrafts at beginning of period		**5,266**	4,377
Cash disposed of with businesses		**—**	(44)
Cash, cash equivalents and bank overdrafts at end of period	21	**4,134**	5,266

Notes to the Consolidated Financial Statements

for the year ended 30 September 2013

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 28 March 2014.

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 as they apply to the financial statements of the Group for the 12 month period ended 30 September 2013 and applied in accordance with the Companies Act 2006. The financial statements are prepared using the historical cost convention. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2013.

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

The International Accounting Standards Board (IASB) and IFRIC have issued the following new or revised standards and interpretations with an effective date for financial periods beginning on or after the dates disclosed below and therefore after the date of these financial statements:

IFRS 1	First-time Adoption of International Financial Reporting Standards Amendments for government loan with a below-market rate of interest when transitioning to IFRS	1 January 2013
IFRS 7	Financial Instruments: Disclosures Amendments relating to the offsetting of assets and liabilities	1 January 2013
IFRS 9	Financial Instruments: Classification and Measurement New accounting standard	1 January 2015
IFRS 10	Consolidated Financial Statements New accounting standard	1 January 2013
IFRS 11	Joint Arrangements New accounting standard	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities New accounting standard	1 January 2013
IFRS 13	Fair Value Measurement New accounting standard	1 January 2013
IAS 19	Employee Benefits Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects	1 January 2013
IAS 27	Consolidated and Separate Financial Statements Reissued as IAS 27 Separate Financial Statements (as amended in 2011)	1 January 2013
IAS 28	Investments in Associates Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)	1 January 2013
IAS 32	Financial Instruments: Presentation Amendments relating to the offsetting of assets and liabilities	1 January 2014
IAS 36	Impairment of Assets Amendments arising from Recoverable Amount Disclosures from Non-Financial Assets	1 January 2014
IAS 39	Financial Instruments: Recognition and Measurement Amendments for novations of derivatives	1 January 2014
IFRIC 20	Stripping Costs in the Production Phase of the Surface Mine	1 January 2013
IFRIC 21	Levies	1 January 2014

None of the above have been early adopted by the Group.

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.

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.

During the year to 30 September 2012, revenue recognised in respect of discontinued operations was with regard to:

- provision of vehicles and equipment for use by the fire emergency services under PPP and PFI fixed term contracts in the UK;

- provision of maintenance of vehicles and equipment used by the fire emergency services in the UK; and

- provision of trained fire service personnel cover for deployment in the event of a pandemic or other unplanned incidents in the UK.

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.

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 period 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:

Leasehold buildings	Over the term of the lease
Leasehold improvements	Over the term of the lease
Fixtures and fittings	3 – 5 years
Equipment, plant and machinery	2 – 5 years

Land is not depreciated.

Operational equipment and motor vehicles that were provided to customers under long-term contracts in previous financial periods are grouped as "assets under long-term arrangements" in Note 13 to the financial statements.

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 13.

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 **Intangible assets Goodwill**

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

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

Computer software

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

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

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

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

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

2.8 **Inventories**

Inventories are 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 stated at the lower of cost and net realisable value.

When the outcome of a construction contract can be estimated reliably, contract revenue and 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 those 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.

2.9 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.

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.

Trade payables

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

2.10 **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.

2.11 **Leases**

Group as a lessee

Operating lease payments are charged to the income statement on a straight-line basis over the lease term. Lease incentives, if applicable, are spread over the term of the lease.

Group as a lessor

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

2.12 **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.

2.13 Employee benefits

Pension obligations – defined benefit schemes

The subsidiaries disposed of during the previous period operated two defined benefit pension schemes and they were accounted for as follows:

Actuarial gains and losses arising on defined benefit retirement benefits were recognised in full in the period in equity.

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

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

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.

2.14 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.15 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.

2.16 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.

2.17 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.

Exceptional items are excluded from the headline profit measure EBITDA, as explained in Note 6.

2.18 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 Notes 21 and 22.

As at 30 September 2013 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.

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	2013 £'000	2012 £'000
Issued share capital	25	**25,353**	25,353
Share premium account	25	**62,645**	62,645
Accumulated reserves		**(77,976)**	(79,235)
		10,022	8,763
Cash and cash equivalents	21	**(4,134)**	(5,266)
Cash held in respect of a bond		**(4,978)**	(4,084)
		910	(587)

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.

A number of companies that were disposed of during the year to 30 September 2012 were in breach of the covenants of their banking facilities. The banks involved continued to support the companies involved and had reserved their rights in respect of the breaches and these included immediate withdrawal of their facilities. The covenant breaches during the period included failure to make capital repayments and interest payments as they fall due, and the effect of creditor action.

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. In light of the completion of the construction elements of the major contract the board do not consider that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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. DISCONTINUED OPERATIONS

Profit on disposal of businesses

No businesses were disposed of during the year to 30 September 2013. On 15 August 2012 AssetCo plc completed the sale of its UK vehicle leasing and maintenance businesses to AB & A Investments Limited.

This disposal saw the Group exit its historic UK vehicle leasing and maintenance contracts which were based on a flawed business and financial structure and were the principal reason for the significant decline in shareholder value throughout 2010 and 2011.

The consideration for the sale of Continental Shelf 547 Ltd and Continental Shelf 548 Ltd and their subsidiaries, AssetCo London Limited, AssetCo Engineering Limited, AssetCo Lincoln Limited, AssetCo Solutions Limited, which held the contracts with London and Lincoln Fire authorities, and Mflow Limited was £2.

The net liabilities on the date of disposal, 15 August 2012, were:

	£'000
Assets	
Non-current assets	
Property, plant and equipment	21,066
	21,066
Current assets	
Inventories	204
Trade and other receivables	3,255
Cash and cash equivalents	33
	3,492
Total assets	**24,558**
Liabilities	
Current liabilities	
Trade and other payables	(4,509)
Bank loans and short term borrowings	(61,072)
Derivative financial instruments	(7,514)
	(73,095)
Non-current liabilities	
Retirement benefit liabilities	(2,078)
Long-term provisions	(850)
	(2,928)
Total liabilities	**(76,023)**
Net liabilities	**(51,465)**

In the audited 18-month period ended 30 September 2011, the companies being sold as part of the disposal of Continental Shelf 547 Limited and Continental Shelf 548 Limited made a loss after exceptional items but before tax of £16.5 million on revenue of £33.3 million and in the year to 30 September 2012 the companies made a profit after exceptional items but before tax of £0.4 million on revenue of £19.8 million. As at 30 September 2011, the net liabilities of the companies being sold had a book value of £50.2 million.

In addition, as part of the restructuring program first announced in September 2011, a number of dormant or intermediary holding companies entered insolvency procedures and consequently the Group no longer holds an economic interest in or control of them:-

AssetCo Municipal Limited

On 1 December 2011 AssetCo Municipal Limited was placed into Administration. The net liabilities as at the date of disposal, being 1 December 2011 were:

	£'000
Assets	
Non-current assets	
Property, plant and equipment	—
	—
Current assets	
Inventories	—
Trade and other receivables	—
Cash and cash equivalents	—
	—
Total assets	**—**
Liabilities	
Current liabilities	
Trade and other payables	(373)
Bank loans and short term borrowings	(176)
	(549)
Non-current liabilities	
Long-term provisions	(2,457)
	(2,457)
Total liabilities	**(3,006)**
Net liabilities	**(3,006)**

In the audited 18-month period ended 30 September 2011, AssetCo Municipal Limited made a loss after exceptional items but before tax of £3.1 million on revenue of £1.4 million and in the year to 30 September 2012 the companies made a profit after exceptional items but before tax of £0.3 million on revenue of £nil. As at 30 September 2011, the net liabilities of the companies where the Group no longer holds an economic interest in or control of them being sold had a book value of £3.3 million.

AssetCo Fire & Rescue Limited

On 1 March 2012 AssetCo Fire & Rescue Limited was placed into Administration and therefore effective from this date it and its subsidiaries left the Group. The subsidiaries involved were AssetCo Emergency Limited, AssetCo Servicecare Limited, AssetCo Contracts Limited, AssetCo Resource Limited, AssetCo Managed Services (ROI) Limited, AssetCo Managed Services Limited, Simentra Limited. The net liabilities on the date of disposal, being 1 March 2012, were:

	£'000
Assets	
Non-current assets	
Property, plant and equipment	396
Other intangible assets	33
	429
Current assets	
Inventories	—
Trade and other receivables	12
Cash and cash equivalents	11
	23
Total assets	**452**
Liabilities	
Current liabilities	
Trade and other payables	(677)
Bank loans and short term borrowings	(12,755)
	(13,432)
Non-current liabilities	
Long-term provisions	(4,068)
	(4,068)
Total liabilities	**(17,500)**
Net liabilities	**(17,048)**

In the audited 18-month period ended 30 September 2011, the companies where the Group no longer holds an economic interest in or control of them as a result of AssetCo Fire & Rescue Limited entering Administration made a loss after exceptional items but before tax of £55.7 million on revenue of £nil and in the year to 30 September 2012 the companies made a loss after exceptional items but before tax of £1.3 million on revenue of £nil. As at 30 September 2011, the net liabilities of the companies where the Group no longer holds an economic interest in or control of them being sold had a book value of £16.6 million.

AssetCo Specialist Vehicles Limited

On 9 July 2012 AssetCo Specialist Vehicles Limited was placed into Administration and therefore effective from this date it and its subsidiaries left the Group. The subsidiaries involved were AssetCo SVO Limited and Papworth Specialist Vehicles Limited. The net liabilities on the date of disposal, being 9 July 2012, were:

	£'000
Assets	
Non-current assets	
Property, plant and equipment	—
	—
Current assets	
Inventories	—
Trade and other receivables	—
Cash and cash equivalents	—
	—
Total assets	**—**
Liabilities	
Current liabilities	
Trade and other payables	(1,317)
Bank loans and short term borrowings	(3,154)
	(4,471)
Non-current liabilities	
Long-term provisions	(5,798)
	(5,798)
Total liabilities	**(10,269)**
Net liabilities	**(10,269)**

In the audited 18-month period ended 30 September 2011, the companies where the Group no longer holds an economic interest in or control of them as a result of AssetCo Specialist Vehicles Limited entering Administration made a loss after exceptional items but before tax of £16.3 million on revenue of £1.3 million and in the year to 30 September 2012 the companies made a profit after exceptional items but before tax of £nil on revenue of £nil. As at 30 September 2011, the net liabilities of the companies where the Group no longer holds an economic interest in or control of them being sold had a book value of £10.3 million.

Cash flows from discontinued operations

	2012 £'000
Net cash flows from operating activities	(1,683)
Net cash flows from investing activities	(10)
Net cash flows from financing activities	(991)

No comparative figures were presented because, as set out in the 2011 Annual Report and Accounts, the breakdown in controls during the prior period and parts of the 2011 reporting period have made it impossible to rely on some of the accounting information from that time.

6. SEGMENTAL REPORTING

The core principle of IFRS 8 'Operating Segments' is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. Segmental information is therefore presented in respect of the 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. A number of operations were discontinued in the 2012 financial year and these are disclosed separately. 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 2013

	UAE £'000	Unallocated £'000	Continuing Operations £'000
Revenue			
Revenue to external customers	17,582	65	**17,647**
Inter-segment revenue	—	—	**—**
Total revenue	17,582	65	**17,647**
Result			
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**
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 represents 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 a branch in UAE. Revenue by destination is not materially different from revenue by origin shown above. All revenue relates to services.

Analysis of revenue and results by geographical settlement

Year to 30 September 2012

	UAE £'000	Unallocated £'000	Continuing Operations £'000	Discontinued Operations £'000
Revenue				
Revenue to external customers	15,078	—	**15,078**	19,802
Inter-segment revenue	—	845	**845**	—
Total revenue	15,078	845	**15,923**	19,802
Result				
Segment result (EBITDA)	3,266	138	**3,404**	5,708
Depreciation	(26)	—	**(26)**	(2,917)
Amortisation and impairment of intangible assets	—	—	**—**	(67)
Operating profit	3,240	138	**3,378**	2,724
Profit from disposal of businesses	—	—	**—**	81,788
Finance income	36	15	**51**	19
Finance costs	(492)	—	**(492)**	(2,841)
Loss on fair value of financial instrument	—	—	**—**	(303)
Profit before tax	2,784	153	**2,937**	81,387
Income tax	—	1,096	**1,096**	—
Profit for the year	2,784	1,249	**4,033**	81,387
Assets and liabilities				
Total segment assets	9,950	5,689	**15,639**	—
Total segment liabilities	(6,126)	(632)	**(6,758)**	—
Total net assets	3,824	5,057	**8,881**	—
Other segment information				
Total capital expenditure	—	—	**—**	167

Segment result represents EBITDA.

Revenues of approximately £18,900,000 are derived from a single external customer within the discontinued segment and revenues of approximately £14,618,000 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 a branch in UAE. Revenue by destination is not materially different from revenue by origin shown above. All revenue relates to services.

7. OPERATING PROFIT

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

	Year to 30 September 2013		Year to 30 September 2012	
	£'000	£'000	£'000	£'000
Depreciation of property, plant and equipment (note 13)		**26**		2,943
Amortisation and impairment of intangible assets (note 14)		**—**		67
Fees payable to the company's auditor for the audit of the annual accounts	**76**		90	
Fees payable to the company's auditor and its associates for other services:				
– the audit of the company's subsidiaries, pursuant to legislation	**—**		120	
– other services relating to taxation	**—**		28	
– all other services	**—**		13	
		76		251
Operating lease rentals on Group properties		**43**		167
Operating lease rentals on other		**60**		68
Employee benefit expense		**9,220**		12,261
Raw materials and consumables used		**4,178**		9,013

8. EMPLOYEES AND DIRECTORS

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

	Year to 30 September 2013 Number	Year to 30 September 2012 Number
Production	**179**	247
Sales	**1**	1
Administration	**3**	39
	183	287

The costs incurred in respect of these employees were:

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Wages and salaries	**8,402**	11,196
Social security costs	**9**	347
Other pension costs	**760**	1,158
	9,171	12,701

The above includes redundancy payments of £nil (2012: £14,000).

Key management compensation

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Payments made to board directors		
Aggregate fees and emoluments	**602**	342

There were £16,000 pension contributions made to key management (2012: £7,000).

The above includes redundancy payments of £nil (2012: £nil).

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

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Salary and benefits	**277**	125

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

9. FINANCE INCOME AND FINANCE COSTS

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Interest payable on bank borrowings and finance leases	**(526)**	(3,185)
Provisions: unwinding of discount (note 23)	**—**	(131)
Bank interest receivable	**47**	70
Net finance expense pensions	**—**	(17)
	(479)	(3,263)

10. DIVIDENDS

A final dividend for 2013 has not been recommended (2012: £nil).

11. INCOME TAX

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Current Taxation		
UK Corporation Tax at 23.5% (2012: 25%) – Current Period	**—**	—
– Prior Period	**—**	(1,096)
Total Current Tax	**—**	(1,096)
Income Tax Credit	**—**	(1,096)

The difference between the loss on ordinary activities at an effective corporation tax rate of 23.5% (2012: 25%) ruling in the UK and the actual current tax shown above is explained below:

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Profit on ordinary activities before taxation	**1,259**	84,324
Tax on profit on ordinary activities at a standard rate of 23.5% (2012: 25%)	**296**	21,081
Factors affecting tax charge for the period:		
Expenses not allowable for tax purposes	**—**	8
Income not taxable	**(526)**	(686)
Disposal profit not taxable	**—**	(20,447)
Amortisation of intangible assets	**—**	17
Tax losses not utilised	**230**	—
Tax losses eliminated	**—**	1,092
Tax losses utilised	**—**	(776)
Deferred tax balances (not)/recognised	**—**	(289)
Adjustment in respect of prior years	**—**	(1,096)
	—	(1,096)

A number of changes to the UK Corporation tax system was announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014.

Reimbursement of £1,096,000 of corporation tax overpaid in recent financial years was received from HMRC during this financial year and accounted for in the year to 30 September 2012.

12. 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 2013 £'000	Year to 30 September 2012 £'000
Profit for the period	**1,259**	85,420
Weighted average number of ordinary shares in issue	**11,000,713**	11,000,713
Basic profit per share (EPS) – pence – continuing	**11.44**	36.66
Basic profit per share (EPS) – pence – discontinued	**—**	739.83
Basic profit per share (EPS) – pence	**11.44**	776.49

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 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 (2012: 3,500,000).

	Year to 30 September 2013 £'000	Restated Year to 30 September 2012 £'000
Profit for the period	**1,259**	85,420
Weighted average number of ordinary shares in issue	**12,431,238**	11,348,554
Diluted profit per share (EPS) – pence – continuing	**10.13**	35.54
Diluted profit per share (EPS) – pence – discontinued	**—**	717.16
Diluted profit per share (EPS) – pence	**10.13**	752.70

Diluted profit per share in the prior year has been restated to reflect the impact of share warrants within the weighted average number of shares in issue.

Please refer to note 33 – Post Balance Sheet Events for disclosure as to the number of warrants referred to above that were exercised and an illustration as to the impact on Earnings per Share.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Equipment plant and machinery £'000	Assets under long term arrangements £'000	Total £'000
Cost						
At 1 October 2011	1,050	2,561	413	6,147	81,667	**91,838**
Additions	—	—	—	6	161	**167**
Disposals	—	—	—	(72)	(3,618)	**(3,690)**
Disposal of businesses	(1,050)	(2,531)	(259)	(6,056)	(78,210)	**(88,106)**
Exchange differences	—	(30)	(18)	(25)	—	**(73)**
At 30 September 2012	—	—	136	—	—	**136**
Additions	—	—	6	—	—	**6**
At 30 September 2013	—	—	142	—	—	**142**
Accumulated depreciation						
At 1 October 2011	1,050	1,916	323	5,841	58,376	**67,506**
Charge for the year	—	36	27	70	2,810	**2,943**
Disposals	—	—	—	(72)	(3,618)	**(3,690)**
Disposal of businesses	(1,050)	(1,940)	(272)	(5,814)	(57,568)	**(66,644)**
Exchange differences	—	(12)	(16)	(25)	—	**(53)**
At 30 September 2012	—	—	62	—	—	**62**
Charge for the year	—	—	26	—	—	**26**
At 30 September 2013	—	—	88	—	—	**88**
Net book amount						
At 30 September 2013	—	—	54	—	—	**54**
At 30 September 2012	—	—	74	—	—	**74**

Assets under long-term arrangements

Assets under long-term arrangements comprise principally of items of operational equipment and motor vehicles that have been provided to customers under the Group's Private Finance Initiative and Public Private Partnership long-term contracts. The businesses concerned were disposed of during the year to 30 September 2012.

Depreciation

Depreciation expense of £nil (2012: £2,834,000) has been charged in cost of sales and £26,000 (2012: £109,000) in administrative expenses.

Security

As at 30 September 2013 (2012: £nil) the Group provided no security in respect of Tangible Fixed Assets.

14. INTANGIBLE ASSETS

	Goodwill £'000	Bid costs £'000	Software development cost £'000	Total £'000
Cost				
At 1 October 2011	35,152	100	279	**35,531**
Disposal of businesses	(35,152)	(100)	(279)	**(35,531)**
At 30 September 2012	—	—	—	**—**
At 30 September 2013	—	—	—	**—**
Accumulated amortisation				
At 1 October 2011	35,152	—	279	**35,431**
Charge for the year	—	67	—	**67**
Disposal of businesses	(35,152)	(67)	(279)	**(35,498)**
At 30 September 2012	—	—	—	**—**
Charge for the year	—	—	—	**—**
At 30 September 2013	—	—	—	**—**
Net book amount				
At 30 September 2013	—	—	—	**—**
At 30 September 2012	—	—	—	**—**

15. EMPLOYEE BENEFIT OBLIGATIONS

As a result of the disposal of businesses during the 2012 financial year there was no pension scheme in operation in the UK in the year to 30 September 2013.

During the year to 30 September 2012 the Group accounted for the pension scheme relating to the businesses disposed of in accordance with IAS19 as set out below.

UK Schemes – year to 30 September 2012

Up to the date of disposal of the businesses the Group operated a defined benefit scheme for some of its UK employees (2011: two defined benefit schemes). The scheme in operation was the AssetCo pension scheme formerly the Brook Henderson pension scheme (2011: AssetCo pension scheme and the Todd Research Limited retirement benefits scheme; Todd Research Limited was sold in December 2010 along with the assets/liabilities of its pension scheme which transferred with it). The remaining schemes' assets are held separately from those of the group and are administered by the trustees and managed professionally.

The AssetCo pension scheme was subject to a full actuarial valuation as at the date of disposal 15 August 2012, by an independently qualified actuary and showed a deficit of £2,078,000 at that date.

The anticipated employer contribution to the scheme in the coming year is £nil (2012: £nil).

Actuarial losses of £nil (2012: £1,288,000) are included in other comprehensive income. Actual return on assets amounts to £nil (2012: £941,000).

The value of assets in the schemes and the expected rate of return were:

	Long term rate of return expected at 30 September 2013	Market value at 30 September 2013 £'000	Long term rate of return expected at 30 September 2012	Market value at 30 September 2012 £'000
Equities	n/a	**n/a**	n/a	4,503
Government bonds	n/a	**n/a**	n/a	—
Corporate bonds	n/a	**n/a**	n/a	3,825
Cash and Cash equivalents	n/a	**n/a**	n/a	67
Total market value of assets		**n/a**		8,395
Present value of scheme liabilities		**n/a**		(10,473)
Deficit		**n/a**		(2,078)
Amount extinguished on disposal		**n/a**		2,078
Deficit		**n/a**		—

The amounts recognised in the income statement are as follows:

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Current service cost	**—**	314
Gain on settlement of liabilities	**—**	(2,078)
Included in operating profit/(loss)	**—**	(1,764)
Interest on obligation	**—**	363
Expected return on scheme assets	**—**	(346)
Included in net financing costs	**—**	17

Reconciliation of the present value of scheme liabilities and assets

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	—	(8,010)
Service cost	—	(314)
Interest cost	—	(363)
Employees' contributions	—	(31)
Change of assumptions	—	—
Liabilities settled	—	10,473
Actuarial gains	—	(1,883)
Benefits paid	—	128
Closing defined benefit obligation	—	—
Change in the fair value of scheme assets		
Opening fair value of scheme assets	—	6,898
Expected return	—	346
Actuarial gains	—	595
Contributions by the employer	—	653
Contributions by employees	—	31
Liability settlement costs	—	(8,395)
Benefits paid	—	(128)
Closing fair value of scheme assets	—	—

History of experience gains and losses

	30 September 2013 £'000	30 September 2012 £'000	31 September 2011 £'000	31 March 2010 £'000
Fair value of scheme assets	—	8,395	6,898	7,111
Present value of the defined benefit obligation	—	(10,473)	(8,010)	(6,386)
(Deficit)/surplus in the plan	—	(2,078)	(1,112)	725
Liabilities extinguished on disposal of businesses	—	2,078	—	—
Net (liability)/asset recognised in the balance sheet	—	—	(1,112)	725
Experience gains and (losses) on scheme assets	—	595	(614)	1,547
Experience gains and (losses) on scheme liabilities	—	109	(15)	72

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 period for this scheme was £760,000 (2012: £844,000).

16. INVENTORIES

	30 September 2013 £'000	30 September 2012 £'000
Work in progress	**29**	377
	29	377

The net movement in the inventory provision resulted in £nil (2012: £nil) being recognised in the cost of sales.

As at 30 September 2013 inventories of £nil (2012: £nil) were pledged as security for some of the Group's bank loans.

17. TRADE AND OTHER RECEIVABLES

	30 September 2013 £'000	30 September 2012 £'000
Trade receivables	**3,676**	2,579
Other receivables	**67**	1,786
Prepayments and accrued income	**772**	1,473
	4,515	5,838

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 £3,743,000 (2012: £4,201,000).

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 2013 and 2012 excluding impairment are as follows:

	30 September 2013 £'000	30 September 2012 £'000
Not yet due	**2,150**	2,579
Past due but not more than 30 days	**1,031**	—
Past due more than 30 days but not more than 60 days	**—**	—
Past due more than 60 days	**495**	—
	3,676	2,579

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 2013, trade receivables of £nil (2012: £nil) were impaired. The amount of the provision was £nil (2012: £nil).

Movement in the provision for doubtful debts is as follows:

	30 September 2013 £'000	30 September 2012 £'000
Balance at beginning of year	**—**	141
Income statement charge	**—**	—
Disposal of businesses	**—**	(141)
Balance at end of year	**—**	—

18. TRADE AND OTHER PAYABLES

	30 September 2013 £'000	30 September 2012 £'000
Trade and other payables	**908**	946

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

Trade and other payables held in AED amounted to £873,000 (2012: £883,000).

19. SHORT-TERM LIABILITIES

	30 September 2013 £'000	30 September 2012 £'000
Other payables	**2,213**	1,004
Other taxation and social security	**4**	4
Accruals and deferred income	**676**	4,804
	2,893	5,812

20. 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 2013 there were no interest rate swaps in place (2012: £nil).

In the year to 30 September 2012, as at the date of disposal of the businesses the fair value of the HBOS swap and Co-Op swaps were £4,900,000 and £2,614,000 respectively.

21. CASH AND CASH EQUIVALENTS

	2013 £'000	2012 £'000
Cash in bank and hand	**4,134**	5,266
Cash and cash equivalents	**4,134**	5,266

Cash and cash equivalents (excluding bank overdrafts)

	2013 £'000	2012 £'000
UK sterling	**1,932**	4,683
A E Dirhams	**2,202**	583
	4,134	5,266

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 £4,978,000 (2012: £4,084,000) were held on deposit as security in respect of an outstanding performance bond and an advance payment guarantee. Please see note 31 – Contingent Liabilities for further information.

22. BORROWINGS

The Group's bank borrowings and overdrafts were secured by a debenture over the assets of the Group to mature in November 2016 but the businesses concerned were disposed of during the year to 30 September 2012 leaving a £nil balance (2012: £nil).

As at 30 September 2013 there were total borrowings of £nil (2012: £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 2013:

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	3,125	908	2,213	4
	3,125	**908**	**2,213**	**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 2013, with all other variables remaining constant. A 10% variation would have had an impact on the balance sheet of £732,000. All of this charge would be taken to the income statement.

	UK sterling £'000	AE Dirhams £'000	Total £'000	10% £'000
Financial assets	1,945	11,682	13,627	**1,062**
Financial liabilities	(169)	(3,632)	(3,801)	**(330)**
	1,776	8,050	9,826	**732**

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.

23. PROVISIONS

	Restructuring £'000	Dilapidations £'000	Employment £'000	Employment Grants £'000	Pension £'000	Total £'000
As at 1 October 2011	10,816	500	729	1,102	750	13,897
Unwinding of discount	131	—	—	—	—	131
Utilised during the year	(803)	—	(52)	—	—	(855)
Disposals	(10,144)	(500)	(677)	(1,102)	(750)	(13,173)
As at 30 September 2012	—	—	—	—	—	—
As at 30 September 2013	**—**	**—**	**—**	**—**	**—**	**—**

At 1 October 2011 the Group held a number of provisions but each of these was extinguished upon the disposal of businesses during the year to 30 September 2012 (please see note 5):

Restructuring

The restructuring provision related to onerous property leases. Application of IAS37 requires provision for all irrecoverable costs on onerous leases. The leases included have a period remaining until the earliest break opportunity of between 10 and 30 years.

Dilapidations

As at 30 September 2011, the Group, based on best estimates, held provisions of £500,000 in order to cover any dilapidation costs on exit from the buildings covered by the onerous lease provision. Management considered that the obligations would have been settled coterminous with cessation of the leases provided for.

Employment

The employment provision related to potential claims made in connection with employees who have left the business. Management considered that these obligations would have been settled within twelve months of the September 2011 balance sheet date.

Employment Grants

Employment grants were received during 2008 and 2009 in respect of job creation and have a contingent liability clause. The clause provides for a clawback for a period of up to 5 years from the last payment of the grant should the then subsidiary breach the stated terms and conditions of the letter of the offer. There was considerable uncertainty as to when this obligation would be settled but management considered that it was reasonable to expect settlement to be within twelve months of the 30 September 2011 balance sheet date.

Pension

The pension provision related to a claim received with regards to the settlement of an historic section 75 pension liability. There was considerable uncertainty as to when this obligation would be settled and management considered it reasonable to have expected settlement to be within the twelve months of the 30 September 2011 balance sheet date.

24. FINANCIAL ASSETS AND LIABILITIES

The following tables illustrate the categorisation and carrying value of financial assets and liabilities as at 30 September 2013:

Financial assets

	Loans and receivables £'000	Total 30 September 2013 £'000	Total 30 September 2012 £'000
Trade and other receivables	4,515	**4,515**	5,421
Cash and cash equivalents	4,134	**4,134**	5,266
Cash held in respect of a bond	4,978	**4,978**	4,084
	13,627	**13,627**	14,771

Financial liabilities

	Fair value through profit and loss £'000	Other financial liabilities £'000	Total 30 September 2013 £'000	Total 30 September 2012 £'000
Trade and other payables	—	3,801	**3,801**	6,758
	—	**3,801**	**3,801**	6,758

During the year to 30 September 2012 the Group held financial derivatives. These were not traded in active markets. The fair value of those derivatives were estimated using a valuation technique that maximises the use of observable market inputs (Level 2) within IFRS 7's fair value hierarchy.

The movement in the fair value of financial instruments amounted to £nil during the year (2012: £303,000 loss).

The businesses exposed to these financial derivatives were disposed of during the financial year to 30 September 2012.

25. 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

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 warrants were issued, on the basis of 1 warrant for every 2 ordinary share subscribed for, and these are exercisable up until 31 December 2013 at a price of 200p each. Please refer to note 33 – Post Balance Sheet Events for disclosure as to the number of warrants referred to above that were exercised and an illustration as to the impact on Earnings per Share.

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

No Ordinary Shares or Deferred Shares were issued in the year ended 30 September 2013 (2012: £nil).

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 (2012: no authorised limit). All issued shares are fully paid.

b) Share-based payments

The charge for the period in respect of share-based payments, comprising share options and warrants, is £nil (2012: £nil).

26. 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 2012 or 30 September 2013. The unrecognised asset in respect of tax losses at 30 September 2013 amounts to £1,267,000 (2012: £994,000).

27. INVESTMENTS

Details of Group companies can be found in Note 28 to the financial statements.

28. 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.

29. FUTURE CAPITAL COMMITMENTS

	2013 £'000	2012 £'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:

	2013 Property £'000	2012 Property £'000	2013 Other £'000	2012 Other £'000
Within one year	**12**	16	—	—
More than one year and less than five years	—	—	—	—
After five years	—	—	—	—
	12	16	—	—

The property lease commitment includes £nil (2012: £nil) included in a provision for costs associated with onerous leases (note 23).

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.

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

	30 September 2013 £'000	30 September 2012 £'000
Profit for the year before taxation	**1,259**	84,324
Depreciation and impairment (note 13)	**26**	2,943
Amortisation and impairment (note 14)	**—**	67
Profit on sale of property, plant, and equipment	**—**	(138)
Profit on disposal of businesses	**—**	(81,788)
Interest rate swaps	**—**	303
Other finance expense (note 9)	**—**	17
Interest expense (note 9)	**526**	3,316
Interest received (note 9)	**(47)**	(70)
Other non-cash movements	**—**	181
Decrease/(increase) in inventories	**348**	(290)
Decrease/(increase) in debtors	**227**	(2,731)
Decrease in creditors	**(3,188)**	(7,913)
Decrease in provisions	**—**	(724)
Contributions to the DB pension scheme in excess of service cost	**—**	(339)
Cash used from operations	**(849)**	(2,842)

Analysis of net cash

	2013 £'000	2012 £'000
Cash at bank and in hand	**(4,134)**	(5,266)
	(4,134)	(5,266)

There was cash of £4,134,000 as at 30 September 2013, (2012: £5,266,000) and cash held in respect of a bond of £4,978,000 (2012: £4,084,000).

31. 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 has subsequently been increased to a maximum of approximately £5m as a result of a contract extension. The Bond will remain in place in full until 90 days after the customer has confirmed that all contractual terms have been met and it is expected that the confirmation will occur in the second half of the financial year ending 30 September 2014. At completion of the 90 day period the potential liability under this Bond will reduce to 5% of the contract value and then reduce to 0% upon expiration of associated warranty periods and this is expected to be in approximately April 2017.

The Group also provides an "Advanced Payment Guarantee" in connection to a UAE based contract. The guarantee provides for the repayment in part or full of payments received from the customer in advance of contractual service delivery. The guarantee was originally for approximately £8m but has been released down to a maximum liability of approximately £1m and this is expected to be released in full in the second half of the financial year ending 30 September 2014.

32. RELATED PARTY TRANSACTIONS

Related parties comprise the Company's shareholders, subsidiaries, 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 Executive Directors

		Salary 2013 £'000	Benefits in Kind 2013 £'000	Total emoluments 2013 £'000	Salary 2012 £'000	Benefits in Kind 2012 £'000	Total emoluments 2012 £'000
Tudor Davies	i	**70**	**—**	**70**	70	—	70
Gareth White	ii	**209**	**68**	**277**	96	29	125
Jeff Ord	iii	**153**	**53**	**206**	70	19	89
Total		**432**	**121**	**553**	236	48	284

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

		2013 £'000	2012 £'000
Andrew Freemantle	iv	**9**	35
Peter Manning	v	**—**	23
Mark Butcher	vi	**20**	—
Christopher Mills	vii	**20**	—
Total		**49**	58

iv. Andrew Freemantle resigned as a non-executive director on 1 October 2012.
v. Peter Manning resigned as a non-executive director on 14 May 2012.
vi. Mark Butcher was appointed as a non-executive director on 24 October 2012.
vii. 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 £282,000 (2012: £319,000) whilst at the balance sheet date an accrual was held in this respect of £40,000 (2012: £93,000).

33. POST BALANCE SHEET EVENTS

On 3 January 2014 AssetCo announced that various shareholders had exercised warrants to subscribe for 1,210,450 new ordinary shares of 10p each at a price of 200 pence per share. The warrants were pursuant to a warrant instrument dated 9 September 2011, granted at the time of the refinancing as notified by a circular issued to shareholders of the same date.

Following the issue of the new ordinary shares the company's enlarged issued share capital comprises 12,211,163 shares.

As a result of the above, and expiration of the deadline for exercising warrants outstanding, being 31 December 2013, there are no further warrant instruments outstanding that may be exercised.

Earnings per share for the 2013 financial year calculated using the new enlarged share capital would have been as follows:

	Year to 30 September 2013 £'000
Profit for the period	**1,259**
Weighted average number of ordinary shares in issue	**12,211,163**
Basic profit per share (EPS) – pence	**10.31**
Diluted profit per share (EPS) – pence	**10.31**

On the 17 December 2013 AssetCo announced the sudden and untimely passing on Friday 13 December 2013, of Executive Director, Gareth White, a member of the PLC Board since April 2012.

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

Our opinion
In our opinion the company financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit and cash flows for the year then ended;

- 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 2013;

- the company profit and loss account and statement of total recognised gains and losses for the year then ended;

- the company cash flow statement for the year then ended; and

- the notes to the 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.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report and Accounts ("Annual Report"), rather than in the notes to the financial statements. These are cross- referenced from the financial statements and are identified as audited.

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 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 company financial statements are prepared is consistent with the company 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.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited company financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

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.

Report of the independent auditors (continued)

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 consolidated financial statements of AssetCo plc for the year ended 30 September 2013.

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

Birmingham

28 March 2014

Company Profit and Loss Account

for the year ended 30 September 2013

	Notes	Year to 30 September 2013 Total £'000	Year to 30 September 2012 Total £'000
Turnover	3	**17,647**	15,669
Cost of sales		**(13,644)**	(10,743)
Gross profit		**4,003**	4,926
Administrative expenses		**(2,515)**	(1,595)
Profit on ordinary activities before interest and taxation	4	**1,488**	3,331
Interest receivable and similar income	6	**47**	51
Interest payable and similar charges	6	**(526)**	(484)
Profit on ordinary activities before taxation		**1,009**	2,898
Tax on profit onordinary activities	7	**—**	1,096
Profit for the period		**1,009**	3,994

All activities relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profits for the financial period stated above, and their historical cost equivalent.

Company Statement of Total Recognised Gains and Losses

for the year ended 30 September 2013

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Profit for the period	**1,009**	3,994
Exchange differences on translating foreign operations	**(231)**	44
Merger reserve transfer	**—**	68,293
Total recognised gains and losses relating to the period	**778**	72,331

Company Balance Sheet

As at 30 September 2013

	Notes	30 September 2013 £'000	30 September 2013 £'000	30 September 2012 £'000	30 September 2012 £'000
NET ASSETS EMPLOYED					
Fixed assets					
Investments in subsidiaries	9		**—**		—
Tangible fixed assets	10		**54**		74
Cash held in respect of a bond			**2,489**		2,042
Current assets					
Stocks – work in progress		**29**		377	
Debtors	11	**4,515**		5,835	
Cash held in respect of a bond		**2,489**		2,042	
Cash at bank and in hand		**4,134**		5,266	
		11,167		13,520	
Current liabilities					
Creditors – Amounts falling due within one year	12	**(3,731)**		(6,435)	
		(3,731)		(6,435)	
Net current assets			**7,436**		7,085
Total assets less current liabilities and net assets			**9,979**		9,201
REPRESENTED BY					
Called up share capital	14		**25,353**		25,353
Share premium account	14		**62,645**		62,645
Merger reserve	15		**—**		—
Profit and loss reserve	15		**(78,019)**		(78,797)
Shareholders' funds	16		**9,979**		9,201

The financial statements on pages 57 to 71 were approved on behalf of the Board of Directors and signed by T G Davies on 28 March 2014.

Registered number: 04966347

Company Cashflow Statement

for the year ended 30 September 2013

	Note	12 months to 30 September 2013 £'000	12 months to 30 September 2012 £'000
Net cash outflow from operating activities	20	**(849)**	(4,030)
Returns on investments and servicing of finance			
Interest received		**47**	51
Interest paid		**(526)**	(484)
Net cash outflow from returns on investments and servicing of finance		**(479)**	(433)
Taxation		**1,096**	—
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(6)**	—
Net cash outflow for capital expenditure and financial investment		**(6)**	—
Cash deposited in respect of scheme of arrangement and a bond		**(894)**	—
Equity dividends paid to shareholders		**—**	—
Net cash outflow before financing		**(1,132)**	(4,463)
Financing			
Issue of ordinary share capital		**—**	8,041
Net cash inflow from financing		**—**	8,041
(Decrease)/increase in net cash in the period		**(1,132)**	3,578

Reconciliation of net cash/(debt)

	12 months to 30 September 2013 £'000	12 months to 30 September 2012 £'000
Net cash at beginning of period	**5,266**	1,688
(Decrease)/increase in net cash	**(1,132)**	3,578
	4,134	5,266

Notes to the Company Financial Statements

for the year ended 30 September 2013

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.

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.

Tax on ordinary activities is recognised in the profit and loss account except to the extent that it relates to items recognised directly in Shareholders' funds, in which case it is recognised in Shareholders' funds.

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.

Turnover

Turnover comprises the value of revenue recognised in respect of sale of goods and the provision of service contracts. Turnover from the sale of goods is recognised when:

- the significant risks and rewards of ownership of the goods have been transferred to the customer from the Company and this is generally when the goods have been delivered to the customer and accepted:

- effective control over the goods and the management involvement associated with ownership is no longer held by the Company which is generally when the goods have been despatched:

- the amount of turnover can be measured reliably:

- it is probable that the economic benefits associated with the transaction will flow to the Company: and

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from the provision of service contracts is only recognised when the stage of completion can be measured reliably and it is probable that economic benefit will flow to the Company. Where lump sum payments are received, these turnover receipts are deferred and recognised by allocating the lump sum turnover over the life of the contract.

Turnover is recognised on performance of the Company's service obligations in respect of the Company's fire service personnel contracts. Deductions are made for any service shortfalls in the period.

When the outcome of a construction contract can be estimated reliably, contract turnover and 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 turnover is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable.

The principal estimation technique used by the Company in attributing profit on contracts to a particular period is the preparation of forecasts on a contract by contract basis. These focus on turnover 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. At 30 September 2013 all contracts subject to estimation had been completed.

When it is probable that total contract costs will exceed total contract turnover, 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 debtors. 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 creditors.

The Directors have re-assessed the presentation of the profit and loss account and as a result have reclassified costs in respect of bank guarantees from administrative expenses to interest payable and similar charges. The reclassification has resulted in no net impact on results, earnings per share, or net assets.

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. SEGMENTAL REPORTING

Segment information is presented in respect of the Company's geographical settlement. The analysis is for the year to 30 September 2013 and year to 30 September 2012. Unallocated comprises the head office. No secondary segmental information has been provided as in the view of the Directors, the Company operates in only one segment, being the provision of fire and rescue services.

Analysis of turnover and results by geographical settlement

Year to 30 September 2013

	UAE £'000	Unallocated £'000	Total Operations £'000
Turnover			
Turnover to external customers	17,582	65	**17,647**
Inter-segment turnover	—	—	**—**
Total turnover	17,582	65	**17,647**
Result			
Profit on ordinary activities before taxation	1,988	(979)	**1,009**
Assets and liabilities			
Total net assets	5,745	4,233	**9,978**

Year to 30 September 2012

	UAE £'000	Unallocated £'000	Total Operations £'000
Turnover			
Turnover to external customers	14,824	845	**15,669**
Inter-segment turnover	—	—	**—**
Total turnover	14,824	845	**15,669**
Result			
Profit on ordinary activities before taxation	2,739	159	**2,898**
Assets and liabilities			
Total net assets	3,826	5,375	**9,201**

Turnover by destination is not materially different from the turnover by origin shown above.

4. OPERATING PROFIT

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

	Year to 30 September 2013		Year to 30 September 2012	
	£'000	£'000	£'000	£'000
Depreciation of property, plant and equipment		**26**		26
Fees payable to the company's auditor for the audit of the annual accounts	**76**		90	
Fees payable to the company's auditor and its associates for other services:				
– the audit of the company's subsidiaries, pursuant to legislation	**—**		24	
– other services relating to taxation	**—**		26	
– all other services	**—**		13	
		76		153
Lease rentals on Company properties		**43**		64

5. EMPLOYEES AND DIRECTORS

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

	Year to 30 September 2013 Number	Year to 30 September 2012 Number
Production	**179**	164
Sales	**1**	1
Administration	**3**	4
	183	169

The costs incurred in respect of these employees were:

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Wages and salaries	**8,402**	7,786
Social security costs	**9**	857
	8,411	8,643

The above includes redundancy payments of £nil (2012: £nil).

6. NET INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Interest payable on bank borrowings	**(526)**	(484)
Bank interest receivable	**47**	51
	(479)	(433)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Current Taxation		
UK Corporation Tax at 23.5% (2012: 25%) – Current Period	**—**	—
– Prior Period	**—**	(1,096)
Total Current Tax	**—**	(1,096)
Tax on profit on ordinary activities	**—**	(1,096)

The difference between the profit on ordinary activities at an effective corporation tax rate of 23.5% (2012: 25%) ruling in the UK and the actual current tax shown above is explained below:

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Profit on ordinary activities before taxation	**1,009**	2,898
Tax on profit on ordinary activities at a standard rate of 23.5% (2012: 25%)	**237**	725
Expenses not allowable for tax purposes	**—**	45
Income not taxable	**(467)**	(685)
Tax losses utilised	**—**	(85)
Tax losses not utilised	**230**	—
Adjustment in respect of prior years	**—**	1,096
Tax credit for the period	**—**	1,096

Given the material restatements set out in the 2011 Annual Report & Accounts the Company resubmitted its tax computations for prior periods. Reimbursement of £1,096,000 of corporation tax overpaid in recent financial years was received from HMRC during this financial year and accounted for in the year to 30 September 2012.

8. DIVIDENDS

A final dividend for 2013 has not been proposed (2012: £nil).

9. INVESTMENTS IN SUBSIDIARIES

	2013 £'000	2012 £'000

Company

Shares in Group companies	**—**	—

	2013 £'000	**2012 £'000**
Cost		
At beginning of period	**7,500**	100,052
Additions	**—**	—
Disposals	**—**	(92,552)
At end of period	**7,500**	7,500
Provision for impairment		
At beginning of period	**(7,500)**	(100,052)
Impairment charge	**—**	—
Disposals	**—**	92,552
At end of period	**(7,500)**	(7,500)
Carrying value	**—**	—

All subsidiary companies as at 30 September 2013 were wholly owned. During the year to 30 September 2012 a number of dormant or intermediary holding companies entered into insolvency procedures and consequently the Company no longer held an economic interest in or control of them. During that year, the Company also disposed of its interest in Continental Shelf 547 Limited and Continental Shelf 548 Limited which comprised of AssetCo London Limited, AssetCo Engineering Limited, AssetCo Lincoln Limited, AssetCo Solutions Limited and Mflow Limited.

There were no additions during the period (2012:£nil).

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

10. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £'000	**Total £'000**
Cost		
At 1 October 2012	141	**141**
Additions	6	**6**
At 30 September 2013	147	**147**
Accumulated depreciation		
At 1 October 2012	67	**67**
Charge for the period	26	**26**
At 30 September 2013	93	**93**
Net book value		
At 30 September 2013	**54**	**54**
At 30 September 2012	74	74

11. DEBTORS

	2013 £'000	2012 £'000
Trade debtors	**3,676**	1,966
Amounts recoverable on contracts	**—**	612
Other debtors	**59**	655
Taxation and social security	**8**	35
Corporation tax	**—**	1,096
Prepayments and accrued income	**772**	1,471
	4,515	5,835

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade creditors	**908**	938
Other creditors	**325**	283
Amounts owed in respect of factored receivables	**1,818**	721
Taxation and social security	**4**	3
Accruals and deferred income	**676**	4,490
	3,731	6,435

13. 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:

	2013 £'000	2012 £'000
Tax losses	**1,267**	994

The 2011 Annual Report and financial statements referred to prior year accounting adjustments in several group companies, including AssetCo Plc. Revised tax returns reflecting these adjustments, and covering all relevant companies and periods, were submitted to HMRC, with the unrecognised deferred tax asset above reflecting the losses as set out in the revised computations for the Company as adjusted by management for the effects of the 2012 results.

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 2012 and 30 September 2013.

14. 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

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 warrants were issued, on the basis of 1 warrant for every 2 ordinary share subscribed for, and these are exercisable up until 31 December 2013 at a price of 200p each. Please refer to note 21 – Post Balance Sheet Events for disclosure as to the number of warrants referred to above that were exercised and an illustration as to the impact on Earnings per Share.

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

No Ordinary Shares or Deferred Shares were issued in the year ended 30 September 2013 (2012: £nil).

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 (2012: no authorised limit). All issued shares are fully paid.

b) Share-based payments

The charge for the period in respect of share-based payments, comprising share options and warrants, is £nil (2012: £nil).

15. RESERVES

	Profit and loss reserve £'000
At 1 October 2012	**(78,797)**
Profit for the financial period	**1,009**
Foreign exchange	**(231)**
At 30 September 2013	**(78,019)**

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Profit for the year	**1,009**	3,994
Foreign exchange	**(231)**	44
Net addition in the period	**778**	4,038
Opening shareholders' funds	**9,201**	5,163
Closing shareholders' funds	**9,979**	9,201

17. CONTINGENT LIABILITIES

During the period to 30 September 2011 the Company 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 has subsequently been increased to a maximum of approximately £5m as a result of a contract extension. The Bond will remain in place in full until 90 days after the customer has confirmed that all contractual terms have been met and it is expected that the confirmation will occur in the second half of the financial year ending 30 September 2014. At completion of the 90 day period the potential liability under this Bond will reduce to 5% of the contract value and then reduce to 0% upon expiration of associated warranty periods and this is expected to be in approximately April 2017.

The Company also provides an "Advanced Payment Guarantee" in connection to a UAE based contract. The guarantee provides for the repayment in part or full of payments received from the customer in advance of contractual service delivery. The guarantee was originally for approximately £8m but has been released down to a maximum liability of approximately £1m and this is expected to be released in full in the second half of the financial year ending 30 September 2014.

18. 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 £282,000 (2012: £319,000) whilst at the balance sheet date an accrual was held in this respect of £40,000 (2012: £93,000).

Other related party transactions are disclosed in note 32 to the consolidated financial statements.

19. OPERATING LEASE COMMITMENTS

The Company leases an asset under a non-cancellable operating lease agreement. The lease expires in January 2014. Operating lease payments due in the twelve months following the balance sheet date are:

	2013 Property £'000	**2012 Property £'000**	**2013 Other £'000**	**2012 Other £'000**
On leases which expire:				
Within one year	**12**	16	**—**	—
Between one and five years	**—**	—	**—**	—
More than five years	**—**	—	**—**	—
	12	16	**—**	—

20. NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Operating profit	**1,488**	3,331
Depreciation	**26**	26
Decrease/(increase) in stock	**348**	(377)
Decrease/(increase) in debtors	**225**	(903)
Decrease in creditors	**(2,704)**	(6,296)
Other non-cash charges	**(232)**	189
Net cash outflow from operating activities	**(849)**	(4,030)

21. POST BALANCE SHEET EVENTS

On 3 January 2014 AssetCo announced that various shareholders had exercised warrants to subscribe for 1,210,450 new ordinary shares of 10p each at a price of 200 pence per share. The warrants were pursuant to a warrant instrument dated 9 September 2011, granted at the time of the refinancing as notified by a circular issued to shareholders of the same date.

Following the issue of the new ordinary shares the company's enlarged issued share capital comprises 12,211,163 shares.

As a result of the above, and expiration of the deadline for exercising warrants outstanding, being 31 December 2013, there are no further warrant instruments outstanding that may be exercised.

On the 17 December 2013 AssetCo announced the sudden and untimely passing on Friday 13 December 2013, of Executive Director, Gareth White, a member of the PLC Board since April 2012.