AssetCo plc

Annual report and financial statements

Year ended 30 September 2017

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)* 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 Bridgwater Road Bristol BS13 8AE
Website	www.assetco.com

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Chairman's Statement

Introduction

We are pleased to report the results for the year to 30 September 2017.

Results

Profit after taxation for the period was £2.2m (2016: £4.6m) on revenue of £24.9m (2017: £23.3m) with the reduction in profitability being an increase in the litigation costs incurred in our claim for negligence against Grant Thornton.

The cash position remains strong with free cash balances of £21.5m (2016: £15.5m).

Our business is based on the provision of an outsourced fire service agreement with the Abu Dhabi government, which commenced in April 2010, but since November 2016, has continued satisfactorily on the same basis and on similar terms but with a contract entered into on an arrears basis every five or six months, whilst a longer term arrangement is considered by the Abu Dhabi government.

Claim against Grant Thornton

The claim for negligence against AssetCo's former auditors, Grant Thornton, which with interest amounts to approximately £40m, is now scheduled to be concluded at a trial in June 2018.

As previously reported by the Financial Reporting Council ("FRC") on conclusion of their investigations in relation to the audits in 2009 and 2010, Grant Thornton were fined £3.5m and given a severe reprimand. Separately, the audit partner Mr Robert Napper was fined £200,000 and excluded from membership of the Institute of Chartered Accountants for three years.

The FRC report on AssetCo entitled Particulars of Facts and Acts of Misconduct: Grant Thornton UK LLP and Robert Napper, is available on the FRC website www.frc.org.uk.

Outlook

Trading continues to be in line with management's expectations and we will keep shareholders informed on any developments in relation to the Grant Thornton claim and our Abu Dhabi business.

Tudor Davies
27 March 2018

Board of Directors

Tudor Davies

Chairman

Appointed to the AssetCo plc board in March 2011, Tudor was the executive chairman of Dowding and Mills plc and, following a reverse acquisition, was subsequently appointed to the board of Castle Support Services plc in June 2007. He was also a non-executive director and subsequently chairman of Stratagem Company 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.

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 company for the year ended 30 September 2017.

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 the United Arab Emirates (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 (KPIs)

The principal indicators used to measure the performance at company and segment level in the past 12 months are operating profit and total cash generation. For the current year and the previous year, these are shown in note 5 on pages 30 and 31 and in the Statement of Cash Flows. There are detailed KPIs within the company's trading contracts and these are monitored accordingly.

Principal risks and uncertainties

The directors continuously monitor the business and markets to identify and deal with risks and uncertainties as they arise. As the main risk to the company'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 company.

Due to the relative importance of oil revenues to UAE government finances, renewal or continuation of the contract could also be adversely affected by sustained low oil prices.

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

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

The company's growth is dependent on winning further total managed services and other contracts and enhancing the returns from its existing contracts. Other contracts may be dependent upon the ongoing purchasing power delegated to government agencies under government policy, which is subject to regular review. Contracts with public bodies which are central to the company'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 company has contractual obligations to perform its services within stringent time and service level criteria, and may be subject to financial penalties if it fails to meet such obligations. Any such circumstances may have a material adverse effect on the business, financial condition, trading performance and prospects. Furthermore, from time to time the company subcontracts some of its contracted obligations and may be responsible for and liable in respect of subcontractor defaults.

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

The activities of the company 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 company which could have a material adverse effect on the company's business, financial condition, trading performance and prospects.

By order of the board

Tudor Davies
Company Secretary

27 March 2018

Company Registration Number: 04966347

Directors' Report

Introduction

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2017.

Results

The financial statements are set out on pages 15 to 39.

Dividend

The directors do not propose a dividend this year (2016: £nil).

Capital structure

The primary objective of the company's capital management is to ensure that capital is available to allocate to the 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 19.

Financial risk management

See note 3 to the financial statements.

Directors

The directors who held office for the whole of the period were as follows:

Tudor Davies *(Chairman)*
Christopher Mills *(Non- Executive)*
Mark Butcher *(Non-Executive)*

The company secretary who held office for the whole of the period was Tudor Davies.

Directors' shareholdings

The beneficial interests of the directors in the shares of the company were as follows:

	At 30 September 2017 No.	**At 30 September 2016 No.**
Tudor Davies *	**32,813**	32,813
Christopher Mills *	**5,915,779**	5,915,779
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, which include the 32,813 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 27 March 2018 the company secretary has been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules sourcebook as issued by the Financial Conduct Authority, of the following interest in 3% or more in the ordinary share capital of the company:

Name	Number of shares	% of issued share capital
Harwood Capital LLP	5,915,779	48.4%
Lombard Odier Asset Management (Europe) Limited	3,540,580	29.0%
Ingot Capital Management	2,362,558	19.3%

Business combinations and disposals

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

Post balance sheet events

Post balance sheet events can be found in Note 25 on page 39.

Corporate governance

As an AIM listed company AssetCo Plc is not required to comply with the UK Corporate Governance Code published in April 2016 ("the Code") in respect of the financial year ended 30 September 2017, 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 and two non-executive directors who are considered by the board to be independent of the chairman 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 company's operations and the financial position of the company. 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 any 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 company and external auditors in terms of the provision of 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, 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 company'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 company's system of internal controls. This includes internal financial controls and controls over financial, operational, compliance and risk management.

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

- clear responsibilities for good financial controls and the production of timely financial management information;
- the control of key financial risks through clearly laid down authorisation levels and proper segregation of accounting duties;
- the review of trading results, balance sheets and cash flows by management and the board;
- reporting on compliance with internal financial controls and procedures by each individual business unit under the supervision of the chairman and at the year-end by external auditors.

Going concern

The directors have considered the going concern assumption for the company, AssetCo plc, by assessing the operational and funding requirements of the company 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 in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

Each of the directors, whose names and functions are listed in Board of Directors confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the company; and

- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

Statement on the provision of information to auditors

Each of the directors confirms that, as far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and that he has taken all the steps he ought to have as a director to make himself aware of any relevant audit information, and to establish that the auditors are aware of that information. The above is in accordance with the provisions of section 418 of the Companies Act 2006. The auditors have direct access to all members of the board and attend and present their reports at appropriate board meetings. The board considers, at least annually, the relationships and fees in place with the auditors to confirm that their independence is maintained.

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

27 March 2018

Company Registration Number: 04966347

Report of the independent auditors to the members of AssetCo plc

REPORT ON THE FINANCIAL STATEMENTS

Opinion

In our opinion, AssetCo plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2017; the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

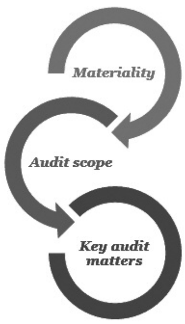
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: £100,000, based on approximately 5% of profit before tax.
- We conducted an audit of the complete financial information of the two separate components located in the UK and UAE resulting in 100% coverage across all financial statement line items.
- Revenue recognition and recoverability of debtor balances.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Report of the independent auditors to the members of AssetCo plc
(continued)

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition and recoverability of accrued income balances As at the year-end date, there was an agreed but unsigned contract in place between the Company and its most significant customer in the UAE for a five month period. Such amounts were recognised as revenue and included within accrued income in note 14 to the accounts. As the contract was unsigned at the year-end date, the revenue recognition and the subsequent recoverability of accrued income balances was considered to be a key audit matter.	Subsequent to the year end, we have agreed that the contract for the five month period has now been signed by all parties. We are satisfied that the revenue amounts recognised by the Company are in accordance with the terms of this signed contract and that invoices have been raised and issued to the customer. Cash amounts in relation to this contract were then receipted by the Company and corroborated by ourselves prior to the signing of the Annual Report and Accounts. We found that the recognition of revenue for the period and the recoverability of debtor balances at the year-end date to be consistent with the evidence obtained.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The structure of the Company is a revenue generating branch located in the UAE and the head office and registered address of the Company in the UK. For the purposes of our audit, these have been treated as separate components and each have been subject to an audit of their complete financial information on the basis of the significance of each component to the Company financial statements.

The audit of the UAE branch was undertaken by a separate component audit team and their work was subject to review both remotely and in person by the Company audit Engagement Leader. The work performed over revenue recognition and recoverability of accrued income balances fed directly into our key audit matters.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£100,000.
How we determined it	5% of profit before tax.
Rationale for benchmark applied	We believe that profit before tax is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £5,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the independent auditors to the members of AssetCo plc

(continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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 REQUIRED REPORTING

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

27 March 2018

Income Statement
for the year ended 30 September 2017

	Notes	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
Continuing operations			
Revenue	5	**24,881**	23,300
Cost of sales		**(17,738)**	(16,550)
Gross profit		**7,143**	6,750
Administrative expenses		**(4,891)**	(1,874)
Operating profit	6	**2,252**	4,876
Finance income	8	**8**	21
Finance costs	8	**(87)**	(294)
Profit before tax		**2,173**	4,603
Income tax expense	10	**—**	—
Profit for the year		**2,173**	4,603
Earnings per share			
Basic – pence	11	**17.80**	37.70
Diluted – pence	11	**17.80**	37.70

Statement of Comprehensive Income
for the year ended 30 September 2017

	Notes	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
Recognised profit for the year	5	**2,173**	4,603
Other comprehensive (expense)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		**(438)**	1,858
Other comprehensive (expense)/income, net of tax		**(438)**	1,858
Total comprehensive income for the year		**1,735**	6,461

Statement of Financial Position

as at 30 September 2017

	Notes	At 30 September 2017 £'000	At 30 September 2016 £'000
Assets			
Non-current assets			
Property, plant and equipment	12	**—**	—
Cash held in respect of a bond		**233**	240
Total non-current assets		**233**	240
Current assets			
Inventories	13	**—**	—
Trade and other receivables	14	**10,685**	12,498
Cash and cash equivalents	15	**21,530**	15,470
Cash held in respect of bonds		**102**	3,040
Total current assets		**32,317**	31,008
Total assets		**32,550**	31,248
Liabilities			
Current liabilities			
Trade and other payables	16	**4,759**	5,192
Total current liabilities		**4,759**	5,192
Total liabilities		**4,759**	5,192
Shareholders' equity			
Share capital	19	**25,474**	25,474
Share premium		**64,941**	64,941
Profit and loss account		**(62,624)**	(64,359)
Total equity		**27,791**	26,056
Total equity and liabilities		**32,550**	31,248

The notes on pages 20 to 39 are an integral part of these financial statements. The financial statements were authorised for issue by the board of directors on 27 March 2018 and were signed on its behalf by Tudor Davies.

Registered number: 04966347

Statement of Changes in Equity

for the year ended 30 September 2017

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 30 September 2015	25,474	64,941	(70,820)	**19,595**
Profit for the year	—	—	4,603	**4,603**
Other comprehensive income:				
Exchange differences on translation	—	—	1,858	**1,858**
Total comprehensive income for the year	—	—	6,461	**6,461**
Balance at 30 September 2016	25,474	64,941	(64,359)	**26,056**
Profit for the year	—	—	2,173	**2,173**
Other comprehensive expense:				
Exchange differences on translation	—	—	(438)	**(438)**
Total comprehensive income for the year	—	—	1,735	**1,735**
Balance at 30 September 2017	25,474	64,941	(62,624)	**27,791**

Statement of Cash Flows

for the year ended 30 September 2017

	Notes	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
Cash flows from operating activities			
Cash generated from operations	22	**3,094**	2,151
Cash deposited in respect of a bond		**(104)**	—
Cash released in respect of bonds		**3,246**	—
Finance costs		**(87)**	(294)
Net cash generated from operating activities		**6,149**	1,857
Cash flows from investing activities			
Finance income		**8**	21
Net cash generated from investing activities		**8**	21
Net change in cash and cash equivalents		**6,157**	1,878
Cash and cash equivalents at beginning of year		**15,470**	12,836
Exchange differences on translation		**(97)**	756
Cash and cash equivalents at end of year	15	**21,530**	15,470

Notes to the Financial Statements

for the year ended 30 September 2017

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.

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

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

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

These financial statements were authorised for issue by the board of directors on 27 March 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements, which have been applied consistently with those applied in the previous year, are set out below.

2.1 Basis of preparation

The financial statements comply with AIM Rules and have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), as adopted by the European Union, the IFRS Interpretations Committee (“IFRS IC”) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared using the historical cost convention as modified by financial liabilities at fair value through profit or loss. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2017.

Going concern

As the company has no subsidiaries the directors have considered the going concern assumption for the company, AssetCo plc by assessing the operational and funding requirements of the company 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.

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 company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after 1 October 2017 or later periods. These new pronouncements are listed below:

Amendment to IAS 7, “Statement of cash flows” on disclosure initiative (effective 1 January 2017)

Amendment to IAS 12, “Income taxes” on recognition of deferred tax assets for unrealised losses (effective 1 January 2017)

IFRS 9 “Financial Instruments” (effective 1 January 2018)

IFRS 15 “Revenue from contracts with customers” (effective 1 January 2018)

IFRIC 22, ‘Foreign currency transactions and advance consideration’ (effective 1 January 2018)

Amendments to IFRS 2, ‘Share based payments’ – Classification and measurement (effective 1 January 2018) (subject to EU endorsement)

Amendments to IFRS 4, Amendments regarding implementation of IFRS 9 (effective 1 January 2018) (subject to EU endorsement)

Amendment to IFRS 9, ‘Financial instruments’, on general hedge accounting (effective date 1 Jan 2018)

Amendments to IAS 40, ‘Investment property’ transfer of property (effective 1 January 2018) (subject to EU endorsement)

Annual improvements 2014-2016 cycle (effective 1 January 2018) (subject to EU endorsement)

IFRS 16 “Leases” (effective 1 January 2019)

IFRIC 23,’Uncertainty over income tax’ (effective 1 January 2019)

IFRS 17 “Insurance Contracts” (effective 1 January 2021)

The directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods, although it is anticipated that the impact will be immaterial.

No new or amended standards with any impact on the company’s financial statements were adopted for the year ending 30 September 2017.

2.2 **Revenue recognition**

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

The company recognises revenue when specific criteria have been met for each of the company'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 company recognises revenue in respect of the provision of services and the supply of equipment for fire and emergency services in UAE.

a) Rendering of services

Revenue 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.

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

c) Leasing and short-term hire

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

d) Interest income

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.3 Foreign currency translation

a) *Functional and presentation currency*

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

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

b) *Foreign operations translation*

The financial statements 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. Foreign exchange gains or losses resulting from such translation are recognised through equity.

c) *Other transactions and balances*

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

2.4 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.

2.5 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 company and the cost of the item can be measured reliably. The carrying amount of any replaced parts is derecognised. All other repairs and maintenance are 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 write down their cost to their residual values over their estimated useful lives as follows:

Fixtures and fittings	3 – 5 years

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

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.

2.6 Financial instruments

a) Financial assets

The company classifies its financial assets 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 company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents". They are measured initially on recognition at fair value and subsequently at amortised cost.

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 company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Cash held in respect of bonds

Cash held in respect of bonds includes cash on deposit with banks held by them as collateral against performance bonds.

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 company.

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

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

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

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

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

Borrowings

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

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

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

Trade payables

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

2.7 **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.

2.8 Leases

Company as a lessee

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

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

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

2.9 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 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.

2.10 Employee benefits

Pension contributions – defined contribution scheme

For defined contribution schemes, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company 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 company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company 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 twelve months after the balance sheet date are discounted to their present value.

2.11 **Dividends**

Dividends are recognised as a liability in the period in which they are authorised. An interim dividend is recognised when it is paid and a final dividend is recognised when it has been approved by shareholders at the annual general meeting.

2.12 **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 virtually certain.

2.13 **Deferred income**

Deferred income arises when cash 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 income statement when the company has met its related obligations.

2.14 **Contingent liabilities**

Contingent liabilities reflect the maximum potential liability on performance and warranty bonds issued in respect of contracted performance obligations and warranties given to customers under contracts for the provision goods and services. The warranty period varies between 6 and 36 months depending on the specific product or service under warranty and the maximum liability may be partially released part way through this period. The outflow of resources associated with these amounts is not considered to be probable hence such amounts are not recognised as liabilities at the balance sheet date.

3 FINANCIAL RISK MANAGEMENT

3.1 **Financial risk factors**

a) Credit risk

The company's exposure to credit risk is detailed in Note 14.

As at 30 September 2017 the company had exposure to one customer, with the whole of revenue, trade receivables and accrued income accruing with a department of the Abu Dhabi government, who are considered to offer an extremely small credit risk.

The company 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 company transacts principally in sterling and UAE dirhams.

The company's exposure to currency risk is detailed in Note 18.

Transaction risk in the company 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 company'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 company'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 company may seek to limit its exposure to fluctuating interest rates by keeping a significant proportion of the company's cash or borrowings at fixed interest rates.

Financial assets

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

Financial liabilities

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

Other price risk

Other price risks, such as changes in the fair value of financial instruments being caused by movements in commodity or equity prices, are not applicable to the company's operations. The company 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 company maintains adequate bank balances to fund its operations.

3.2 Capital risk management

The company considers its capital to comprise

	At 30 September 2017 £'000	At 30 September 2016 £'000
Issued share capital	**25,474**	25,474
Share premium account	**64,941**	64,941
Accumulated reserves	**(62,624)**	(64,359)
Total equity	**27,791**	26,056
Total borrowings	**—**	—
Cash and cash equivalents	**(21,530)**	(15,470)
Cash held in respect of bonds	**(335)**	(3,280)
	(21,865)	(18,750)
Total capital	**5,926**	7,306

The company's objectives when managing capital are to safeguard the company'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 company is not subject to externally impaired capital requirements.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

a) Estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The board do not consider that there are any estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

b) Judgements

The board do not consider that any critical judgements have been made in preparing the financial statements which have a significant risk of causing a material adjustment to be made to the carrying amounts of assets and liabilities within the next financial year.

5. SEGMENTAL REPORTING

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

Revenues of £24,491,000 (2016: £22,574,000) are derived from a single customer within the UAE segment. Revenues of £24,881,000 (2016: £22,982,000) were generated from the provision of services and £nil (2016: £318,000) from the sale of goods.

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

The company is domiciled in the UK and also operates out of a branch in UAE. Revenue by destination is not materially different from the turnover by origin shown below.

Unallocated comprises the head office.

Analysis of revenue and results by geographic settlement

Year ended 30 September 2017

	UAE £'000	Unallocated £'000	Continuing operations £'000
Revenue			
Revenue to external customers	24,881	—	**24,881**
Total revenue	24,881	—	**24,881**
Segment result			
EBITDA and Operating profit	6,450	(4,198)	**2,252**
Finance income	—	8	**8**
Finance costs	(87)	—	**(87)**
Profit before tax	6,363	(4,190)	**2,173**
Income tax	—	—	**—**
Profit for the year	6,363	(4,190)	**2,173**
Segment assets and liabilities			
Total assets	18,669	13,881	**32,550**
Total liabilities	(3,348)	(1,411)	**(4,759)**
Total net assets	15,321	12,470	**27,791**
Other segment information			
Total capital expenditure	—	—	**—**

Analysis of revenue and results by geographic settlement (continued)

Year ended 30 September 2016

	UAE £'000	Unallocated £'000	Continuing operations £'000
Revenue			
Revenue to external customers	23,300	—	**23,300**
Total revenue	23,300	—	**23,300**
Segment result			
EBITDA and Operating profit	6,050	(1,174)	**4,876**
Finance income	7	14	**21**
Finance costs	(294)	—	**(294)**
Profit before tax	5,763	(1,160)	**4,603**
Income tax	—	—	**—**
Profit for the year	5,763	(1,160)	**4,603**
Segment assets and liabilities			
Total assets	19,110	12,138	**31,248**
Total liabilities	(4,414)	(778)	**(5,192)**
Total net assets	14,696	11,360	**26,056**
Other segment information			
Total capital expenditure	—	—	**—**

6. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

	2017 £'000	2016 £'000
Depreciation of property plant and equipment (note 12)	**—**	—
Loss/(profit) on foreign exchange differences	**368**	(516)
Fees payable to the company's auditors:		
For the audit of the annual accounts	**70**	64
For other services	**—**	6
	70	70
Operating lease rentals on company properties	**66**	57
Operating lease rentals on other assets	**236**	205
Employee benefit expense	**16,766**	14,728
Raw materials and consumables used	**74**	762

7. EMPLOYEES AND DIRECTORS

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

	2017 Number	2016 Number
Production	**238**	236
Administration	**2**	2
	240	238

The costs incurred in respect of these employees were:

	2017 £'000	2016 £'000
Wages and salaries	**15,067**	13,321
Social security costs	**13**	6
Other pension costs	**1,686**	1,401
	16,766	14,728

Key management compensation

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

	2017 £'000	2016 £'000
Payments made to board directors		
Aggregate fees and emoluments	**110**	448
Including in respect of the highest paid director:		
Salary and benefits	**70**	338

There were no pension contributions made in respect of key management (2016: £99,000).

Employee benefit obligations – Overseas schemes

The Abu Dhabi based branch of AssetCo plc contributes towards a statutory pension scheme to the Abu Dhabi government. The total cost in the year for this scheme was £1,380,000 (2016: £1,180,000).

8. FINANCE INCOME AND FINANCE COSTS

	2017 £'000	2016 £'000
Finance costs on performance bonds and letters of credit	**(87)**	(294)
Bank interest receivable	**8**	21
	(79)	(273)

9. DIVIDENDS

A final dividend for 2017 has not been recommended (2016: £nil).

10. INCOME TAX

	2017 £'000	2016 £'000
Current taxation		
UK corporation tax	**—**	—
Total current tax	**—**	—

The difference between the profit on ordinary activities at an effective corporation tax rate of 19.5% (2016: 20%) ruling in the UK and the actual current tax shown above is explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	**2,173**	4,603
Tax on profit on ordinary activities at a standard rate of 19.5% (2016: 20%)	**424**	921
Factors affecting tax charge for the year:		
Income not taxable	**(1,241)**	(1,152)
Tax losses generated	**817**	231
	—	—

The July 2015 budget announced that the standard rate of corporation tax would change from 20% to 19% with effect from 1 April 2017 and then from 19% to 18% with effect from 1 April 2020. The March 2016 budget announced that the standard rate of corporation tax would now change from 19% to 17% with effect from 1 April 2020. These changes were substantively enacted in the Finance Act 2015 in October 2015 and the Finance Act 2016 in September 2016 respectively.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period. There was no dilutive impact in either period therefore diluted earnings per share is equal to basic earnings per share.

	2017 £'000	2016 £'000
Profit for the year	**2,173**	4,603
Weighted average number of ordinary shares in issue	**12,211,163**	12,211,163
Basic and diluted earnings per share – pence	**17.80**	37.70

12. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000	Total £'000
Cost		
At 30 September 2016 and 2017	104	**104**
Accumulated depreciation		
At 30 September 2016 and 2017	104	**104**
Net book value		
At 30 September 2016 and 2017	—	**—**

Security

As at 30 September 2017 the company provided no security in respect of property, plant and equipment (2016: £nil).

13. INVENTORIES

As at 30 September 2017 the company had no inventories (2016: £nil). No inventories were impaired (2016: £nil) and no inventories were pledged as security (2016: £nil).

14. TRADE AND OTHER RECEIVABLES

	2017 £'000	2016 £'000
Trade receivables	**—**	11,106
Other receivables	**190**	258
Prepayments and accrued income	**10,495**	1,134
	10,685	12,498

Due to their short-term nature the carrying value of trade and other receivables approximates to their fair value. Trade and other receivables, including accrued income, held in UAE dirhams amounted to £10,554,000 (2016: £11,292,000)

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above. The company does not hold any collateral as security. There is a material concentration of credit risk due to the company's individual material trade debts being 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 2017, trade receivables of £nil (2016: £nil) were impaired. The amount of the provision was £nil (2016: £nil). No trade receivables were written off during the period (2016: £nil).

15. CASH AND CASH EQUIVALENTS

	2017 £'000	2016 £'000
Cash at bank and in hand	**21,530**	15,470
Cash and cash equivalents	**21,530**	15,470
Cash and cash equivalents		
UK sterling	**6,598**	9,840
UAE dirhams	**14,932**	5,630
	21,530	15,470

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. Balances are held with reputable banks with credit ratings of A and above.

In addition to the above, UAE dirhams amounting to £335,000 (2016: £3,280,000) were held on deposit as security in respect of outstanding performance bonds. See note 23 – Contingent Liabilities for further information.

16 TRADE AND OTHER PAYABLES

	2017 £'000	2016 £'000
Trade payables	**878**	580
Other payables	**1,183**	2,126
Other taxation and social security	**3**	3
Accruals and deferred income	**2,695**	2,483
	4,759	5,192

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 UAE dirhams amounted to £1,401,000 (2016: £2,323,000).

17. BORROWINGS

As at 30 September 2017 there were total borrowings of £nil (2016: £nil).

18. FINANCIAL ASSETS AND LIABILITIES

The following tables illustrate the categorisation and carrying value of financial assets and liabilities as at 30 September 2017:

Financial assets

	At amortised cost	
	2017 £'000	2016 £'000
Trade receivables	**—**	11,364
Other receivables and accrued income	**10,516**	—
Cash and cash equivalents	**21,530**	15,470
Cash held in respect of bonds	**335**	3,280
	32,381	30,114

Financial liabilities

	At amortised cost	
	2017	**2016**
	£'000	**£'000**
Trade and other payables	**4,759**	2,709

Maturity analysis of financial liabilities

The following disclosures show the maturity profile of gross undiscounted cash flows of financial liabilities, excluding deferred income, as at 30 September 2017:

	Trade payables £000	Other payables and accruals £000	Other taxation and social security £000	Total £000
2017				
In one year or less	**878**	**3,878**	**3**	**4,759**
2016				
In one year or less	580	2,126	3	2,709

Currency risk

The company has used a sensitivity technique that measures the estimated change to the fair value of the company's financial instruments of a 10% strengthening in sterling against all other currencies, from the closing rates as at 30 September 2017, with all other variables remaining constant. A 10% variation would have had an impact on the balance sheet of £2,030,000. Of this charge, £650,000 would be taken to the income statement.

	UK sterling £'000	UAE dirhams £'000	Total £'000	10% £'000
2017				
Financial assets	**6,711**	**25,670**	**32,381**	**2,334**
Financial liabilities	**(1,411)**	**(3,348)**	**(4,759)**	**(304)**
	5,300	**22,322**	**27,622**	**2,030**
2016				
Financial assets	9,912	20,202	30,114	1,837
Financial liabilities	(386)	(2,323)	(2,709)	(211)
	9,526	17,879	27,405	1,626

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 company's exposure to currency risk.

19. SHARE CAPITAL

	2017 £'000	2016 £'000
12,211,163 (2016: 12,211,163) ordinary shares of 10p each	**1,221**	1,221
90,712,740 (2016: 90,712,740) deferred shares of 24p each	**21,771**	21,771
501,425 (2016: 501,425) deferred shares of 495p each	**2,482**	2,482
	25,474	25,474

The rights attaching to the 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.

20. TAX LIABILITIES AND DEFERRED TAXATION

Deferred taxation

There was no deferred tax asset or liability recognised at 30 September 2017 (2016: £nil).

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 there is no basis on which to recognise deferred tax assets at 30 September 2017 or 30 September 2016. The unrecognised asset in respect of tax losses at 30 September 2017 amounts to £2,082,000 (2016: £1,370,000).

21. FUTURE CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in these financial statements at 30 September 2017 (2016: £nil).

Operating lease commitments

The company 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:

	Property		Other assets	
	2017 £000	2016 £000	2017 £000	2016 £000
Within one year	**31**	29	—	76

The company leases the commercial property from which it operates. The lease was 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.

22. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH GENERATED FROM OPERATIONS

	2017 £'000	2016 £'000
Profit for the year before taxation	**2,173**	4,603
Finance costs (note 8)	**87**	294
Finance income (note 8)	**(8)**	(21)
Decrease/(increase) in receivables	**1,191**	(4,766)
(Decrease)/increase in payables	**(349)**	2,041
Cash generated from operations	**3,094**	2,151

23. CONTINGENT LIABILITIES

	Approximate maximum potential liability	
	2017 £'000	2016 £'000
Performance bond related to a UAE based contract, released in full in the period	**—**	3,000
Performance bond related to a UAE based contract, expected to reduce to approximately £1.2 million in 2018 and to be released in full in 2020	**2,400**	2,400
Performance bond related to a UAE based contract, released in full in the period	**—**	130
Performance bond related to a UAE based contract, expected to be released in full in 2018	**105**	—

24. RELATED PARTY TRANSACTIONS

Related parties comprise the company's shareholders, subsidiaries, associated companies, joint ventures and other entities over which the shareholders of the company have the ability to control or exercise significant influence over financial and operating decisions and key management personnel.

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

Executive directors' remuneration

For the year ended 30 September 2017

	Salary £'000	Bonus £'000	Benefits in Kind £'000	Total emoluments £'000
Tudor Davies (see i below)	**70**	**—**	**—**	**70**

For the year ended 30 September 2016

	Salary £'000	Bonus £'000	Benefits in Kind £'000	Total emoluments £'000
Tudor Davies (see i below)	70	—	—	70
Jeff Ord (see ii below)	234	77	27	338
	304	77	27	408

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

ii. Jeff Ord was appointed to the board on 11 April 2012 and passed away on 23 June 2016. Pension contributions and similar entitlements made during the year ended 30 September 2016 in respect of Jeff Ord amounted to £99,000.

Non-executive directors' remuneration

	2017 £'000	2016 £'000
Mark Butcher (see iii below)	**20**	20
Christopher Mills (see iv below)	**20**	20
	40	40

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

iv. 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 of £375,000 (2016: £180,000), including at the balance sheet date an accrual of £245,000 (2016: £97,000).

Costs of £78,000 (2016: £Nil) incurred by Harwood Capital LLP, one of the company's significant shareholders, in relation to legal action being taken by the company against the company's former auditors were charged by Harwood Capital LLP to the company during the year, including at the balance sheet date an accrual of £78,000 (2016; £nil).

25. POST BALANCE SHEET EVENTS

The performance bond referred to in note 23 and expected to be released in full in 2018 was released towards the end of December 2017. In February 2018, the company entered into a new performance bond of similar value to that released in December 2017. It is expected that this will be released in full later in 2018. There are no other post balance sheet events to report.