AssetCo plc

Annual report and financial statements

Year ended 30 September 2020

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 Martin Gilbert Peter McKellar
Company secretary	Tudor Davies
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Kingsway Cardiff CF10 3PW
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 have had a successful year in terms of releasing the cash in receivables and bonds from our contracts in the Middle East, however, the development of new business has been slowed by the Coronavirus pandemic.

Perhaps of more significance to shareholders are the post balance sheet events, including the successful conclusion of the Grant Thornton litigation, the buy-back of 50% of the share capital, and the introduction of new directors and a proposed change of strategy to asset and wealth management.

Results

In the absence of any revenues from the Middle East, progress for shareholders this year is perhaps better explained in terms of cash flows, with net cash inflows from operating activities of £11.0 million resulting in a balance sheet at 30 September 2020 with net assets of £32.3 million (2019 £29.9 million), of which cash was £28.9 million (2019 £20.6 million).

The Income Statement for the year ended 30 September 2020 shows revenue of £nil (2019: £5.3 million) but a profit for the year of £3.4 million (2019 Loss £0.8 million) which principally arose as a result of an award of £4.6 million costs against Grant Thornton.

Post Balance Sheet Events

On 2 October 2020, Grant Thornton informed us of their decision not to appeal to the Supreme Court, thus crystallising the award from the Court of Appeal ruling which, with costs, amounted to £30.5 million, the final amounts of which were all received by 1 February 2021.

On 1 December 2020 we announced a Tender Offer to return capital to shareholders by way of a buy-back of 6.53 million shares at £4.11 per share at a cost of £26.9 million, and this was subscribed in full and completed in January 2021.

On 8 January 2021 we welcomed an Investor Group consisting of Martin Gilbert, Peter McKellar and Toscafund Asset Management and various associates who had acquired a 29.8% shareholding from existing shareholders. Martin and Peter have significant expertise in asset and wealth management and joined the Board on 25 January 2021.

In January and February 2021 we purchased an investment of 5.85 percent of River and Mercantile Group plc, an asset management business, at a total cost of £10.4 million.

Future Strategy

On 8 February 2021 the Board announced that it intends to change its business strategy to the development of an asset and wealth management business building on the significant experience of Martin Gilbert and Peter McKellar.

As this is a fundamental change of business the Company will effect a readmission of its shares pursuant to AIM Rule 14.

The Board is in the process of preparing a Circular to shareholders to complete the readmission process and expects to post it to shareholders before 31 March 2021.

Tudor Davies

26 February 2021

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 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.

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 was previously an executive director of GPG (UK) Holdings plc which was the UK investment arm of Guinness Peat Group plc. He currently sits on the boards of Redde Northgate plc and National Milk Records plc.

Martin Gilbert

Non-executive director

Appointed to the AssetCo plc board in January 2021, Martin co-founded Aberdeen Asset Management and recently retired from Standard Life Aberdeen, where he was co-chief executive and then vice-chairman. He has extensive experience in asset and wealth management and is currently on a number of boards including the challenger bank Revolut.

Peter McKellar

Non-executive director

Appointed to the AssetCo plc board alongside Martin Gilbert in January 2021 Peter has spent many years at Standard Life Investments and Standard Life Aberdeen and recently retired as Global Head of Private Markets. He also brings significant experience in asset and wealth management.

Strategic Report

Introduction

The directors present their strategic report on AssetCo plc ("AssetCo" or the "company") for the year ended 30 September 2020.

Principal activities

At present, the company's strategy is focused on the provision of fire and rescue emergency services in international markets, operating from a branch in the UAE. Following the loss of its key contract in Abu Dhabi in October 2018, the company has scaled back its existing operation and cost base, whilst seeking new contractual opportunities. Unfortunately, to date no new contracts have been won and the directors are currently reviewing the status of the business.

Subject to shareholder approval, the directors are proposing to change the strategy of the company to acquiring, managing and operating asset and wealth management activities. More details on the new strategy will be contained in the Circular to be sent to shareholders before 31 March 3021.

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 year is cash generation. The net change in cash has been an increase in 2020 of £11.0 million (2019: £0.3 million) arising principally from the collection of amounts outstanding under the contract with our customer in UAE (c. £11.0 million) together with the release of c. £2.3 million in bonds held by our banker in UAE, less settlement of operating liabilities. There were detailed KPIs within the company's trading contract and these were monitored by senior management who reviewed monthly reports, however this is not relevant for the current year.

New strategy

The directors are proposing to develop an asset and wealth management business.

Principal risks and uncertainties

The directors continuously monitor the business and markets to identify and deal with risks and uncertainties as they arise. Set out below are the principal risks which we believe could materially affect the company's ability to achieve its strategy. The risks are not listed in order of significance.

Failure to attract investment funds

The proposed new strategy involves the development of an asset and wealth management business. Such businesses are operationally geared and success depends on attracting adequate investment funds to manage. If the asset and wealth management business fails to attract sufficient assets. This could have a material adverse effect on the company's business, financial condition and prospects.

Dependence on the directors

The company's development and prospects are dependent upon the service and performance of its directors. The loss of the services of such individuals could cause disruption which could have a material adverse effect on the deliverability of the proposed new strategy and the financial prospects of the company.

Regulatory risk

In executing the proposed new strategy the acquisition of regulated firms or businesses or portfolios may require the approval of the FCA. There is no guarantee that any such approvals will be provided or that the conditions on which the FCA will grant such approvals will be acceptable.

Effects of COVID-19 pandemic

The COVID-19 pandemic has had a significant effect on all activities globally during 2020, and dealings with potential fire and rescue customers in UAE have been very difficult to organise. This means that finding potential new fire and rescue contracts in the Middle East has been, and for the foreseeable future will continue to be, challenging.

S.172 STATEMENT

Under section 172 of the Companies Act 2006 (the "CA 2006") the directors have a duty to promote the success of the company for the benefit of the shareholders as a whole. In doing so the directors are required to have regard to matters set out in section 172(1) of the CA 2006 and the likely consequences of any decision in the long-term; the desirability of the company for maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the company.

In this context, the company is proposing to seek new revenue opportunities in developing an asset and wealth management business. The Board considers that its primary stakeholders are existing shareholders and remaining employees. Customers and suppliers will of course be important stakeholders if the proposed new strategy is approved by shareholders. We set out below how we engage with our stakeholders.

Shareholders – contact with our shareholders is through a number of avenues which include the annual report, AGM, one-to-one meetings (when allowed) and telephone conversations. Matters under discussion include strategy and its execution and generating strong returns.

Employees – at the reduced level of employment we currently have all employees are senior experienced professionals and open discussion of the challenges facing us is encouraged and can be easily achieved.

Customers and suppliers – the nature of the proposed services we plan to provide is such that regular and frequent discussion between AssetCo senior management and customers and suppliers will take place.

By order of the board

Tudor Davies
Company Secretary

26 February 2021

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 2020.

Results

The financial statements are set out on pages 17 to 41.

Dividend

The directors do not propose a dividend this year (2019: £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.

Full 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 18.

The Company

AssetCo Plc, registered and domiciled in England and Wales, with the registered number 4966347, is a stand-alone company without subsidiaries or ultimate holding company. It carries out business in the Middle East through a UAE registered branch.

Financial risk management

See note 3 to the financial statements.

Research and development

No expenditure has been incurred during the year in respect of research and development activities.

Future developments

The outlook for the company is set out in the Chairman's Statement.

Directors

The directors of the company who were in office during the year, and up to the date of signing the financial statements, were as follows:

Tudor Davies *(Chairman)*
Christopher Mills *(Non-Executive)*
Mark Butcher *(Non-Executive)*
Martin Gilbert *(Non-Executive)* – appointed 25 January 2021
Peter McKellar *(Non-Executive)* – appointed 25 January 2021

The company secretary who held office for the whole of the financial year, and up to the date of signing this report, was Tudor Davies.

Directors' shareholdings

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

	At 30 September 2020 No.	At 30 September 2019 No.
Tudor Davies*	**32,813**	32,813
Christopher Mills*	**5,805,779**	5,905,779
Mark Butcher	**—**	—

* Christopher Mills, as chief executive and a member of Harwood Capital LLP, is deemed to have an interest in the 5,805,779 shares owned by various funds associated with Harwood Capital LLP. Those shares, which include the 32,813 that Tudor Davies has an interest in as a private client of Harwood Capital LLP, are held on a discretionary management basis for a number of private clients who remain the ultimate beneficial owners.

Two new directors have been appointed since the year end and each has purchased shares in the Company. Martin Gilbert is the holder of 650,000 ordinary shares and Peter McKellar is the holder of 225,000 ordinary shares.

Substantial shareholdings

At 25 February 2021 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:

	No. of shares	**% of issued share capital**
Harwood Capital LLP	1,688,500	25.8%
Toscafund Asset Management LLP	800,020	12.2%
Lombard Odier Asset Management (Europe) Limited	651,500	10.0%
Martin Gilbert	650,000	9.9%
ICM Limited	640,002	9.8%
Richard Griffiths	291,872	4.5%
Peter McKellar	225,000	3.4%
Cadoc Limited	200,000	3.1%

Business combinations and disposals

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

Post balance sheet events

As mentioned in the Chairman's statement there have been a number of post balance sheet events. They are set out in more detail in note 24 Post Balance Sheet Events.

Corporate governance

AssetCo uses the 2018 QCA Corporate Governance Code as far as it is applicable to the company.

The company's ownership is very concentrated with more than 75% of shares held by a small number of fund management groups and connected individuals Accordingly, the governance and culture of the company is led by the chairman, based on a strategy agreed with the company's major shareholders and as set out in the Strategic Report.

The following statement describes how the Company as at 30 September 2020 sought to address the principles underlying the Code.

Promoting value for shareholders

The principal activities of the company and its strategy are explained in the Strategic Report and in the Chairman's Statement.

Meeting shareholder needs and expectations

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.

Taking into account wider stakeholder and social responsibilities

The company's employees, customers and suppliers are located in the United Kingdom and the United Arab Emirates ("UAE") which operates as a branch of the company. The company ensures that it complies with all laws and regulations governing employment standards, occupational health, safety, environmental and other matters within the jurisdictions within which it operates.

Embedding risk management

The board considers regularly the risks relating to AssetCo's activities. Details of the principal risks and uncertainties facing the company are set out in the Strategic Report.

Directors

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

The board consists of a chairman and four non-executive directors (two of whom have been appointed since the year-end), who are considered by the board to be independent of the chairman. 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. All members of the board have considerable experience of operating at board level in corporate environments. 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.

In view of the small size of the board, there is no formal board evaluation process.

Board meetings

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.

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 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.

Promoting ethical corporate values and behaviours

The board, through the chairman, seeks to maintain high ethical standards within its UAE operation as well as in the UK, including in its dealings with customers and suppliers.

Maintaining governance structures and processes to support decision-making

The board is responsible for the company's system of internal control and reviewing its effectiveness. The procedures for planning and monitoring the operational and financial performance of the company, as well as its compliance with applicable laws and regulations, are set out below.

Communicating corporate governance

The principal method of communicating the company's corporate governance process and principles is the Annual Report, which is sent directly to all shareholders (unless they have specifically requested only electronic communication) and is available to other stakeholders and the general public on the company's website. The annual general meeting also provides an opportunity for shareholders to address corporate governance matters.

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. 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 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 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 business updates, cash flows and cash balances by management and the board;

The directors are reviewing the internal control processes to ensure they are appropriate to the nature and structure of the business as it develops.

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.

As set out in the Chairman's statement the board has decided to pursue a new strategy of developing an asset and wealth management business. The successful conclusion of the claim against Grant Thornton has generated cash resources and freed up management time and the appointment of two new directors with considerable experience in financial services means the company is well placed to make a success of this. The company will also continue to employ key personnel in UAE and to seek and tender for future contracts.

On this basis, 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 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 accounting standards in conformity with the requirements of the Companies Act 2006. 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether for the company, international accounting standards 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 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 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 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

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

26 February 2021

Company Registration Number: 04966347

Report of the independent auditors to the members of AssetCo plc

REPORT ON THE AUDIT OF 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 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 2020; 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

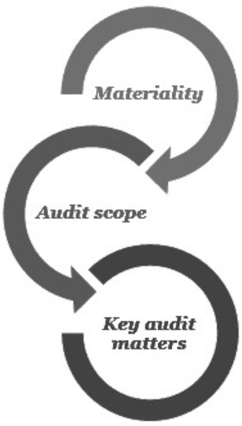
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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: £336,000 (2019: £38,150), based on 1% of total assets.

- We have performed full-scope audit procedures in respect of the UK component.
- Our audit scope included specified audit procedures in respect of the UAE component.
- Our audit procedures covered over 99% of the Company's total assets for the year ended 30 September 2020.
- All work has been performed by the group engagement team.

- Accounting treatment of Grant Thornton settlement claim
- Impact of COVID-19

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

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.

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
Accounting treatment of Grant Thornton settlement claim The ongoing litigation against the company's former auditor, Grant Thornton, concluded on 2 October 2020, after receiving notification that Grant Thornton will not appeal the court judgement handed down on 28 August 2020, awarded in AssetCo plc's favour of a total £30.5m. £4.6m has been recognised in the current year as 'other income' in the Income statement, with an associated receivable in the statement of financial position, to reflect the costs plus associated interest ordered in the judgement prior to the year end and management interpret to be receivable irrespective of the outcome of any appeals. The remaining amount of the awarded claim, approximately £25.9m, has not been recognised in the financial statements as it was not considered to be virtually certain by management at the year end date, as notification from Grant Thornton that they will not be exercising their right to appeal was received subsequent to the year end. Management has assessed the remaining claim amount to be a non-adjusting event under IAS 10 and have disclosed the post balance sheet event in Note 24.	We obtained management's paper and evaluated the appropriateness of the accounting treatment of the £30.5m, and the judgements applied by management in concluding that the remaining £25.9m of the awarded claim was not virtually certain for recognition under IAS 37, at the balance sheet date. This included the following; • Made enquiries of the company's legal advisors and obtained relevant evidence to determine the nature and status of the £30.5m contingent asset at the balance sheet date. This included obtaining specific evidence to confirm the £4.6 million awarded in respect of recovery of costs would be receivable irrespective of the outcome of any potential appeal. • Confirmed through review of legal correspondence during September 2020, and the confirmation that Grant Thornton did not intend to continue to appeal in the Supreme Court that was dated 2 October 2020, that the £25.9 million of settlement could not be considered virtually certain at the balance sheet date. • We obtained evidence to support management's disclosures in the financial statements, including third party bank statements to verify the claim monies received from Grant Thornton subsequent to year end.

Key audit matter	How our audit addressed the key audit matter
Accounting treatment of Grant Thornton settlement claim (continued)	• Evaluated the appropriateness of the accounting treatment of the remaining £25.9 million claim as a non-adjusting post balance sheet event under IAS 10. The corroborative evidence verified the £4.6m recognised in other income was receivable irrespective of the notification received from Grant Thornton on 2 October 2020. As the company was in the position of claiming damages, and the notification from Grant Thornton that they will not appeal was received subsequent to year end, we concur with management that the remaining £25.9 million represents a non-adjusting post balance sheet event under IAS 10, and the accounting treatment applied in the current year financial statements is appropriate. We have evaluated the disclosures in the financial statements and confirm it adequately describes the nature of the events.
Impact of COVID-19 The emergence of COVID-19 has impacted all businesses globally, both financially and operationally, and creates significant uncertainty in the wider economic environment. Management refer to their assessment of the effects of COVID-19 pandemic within the strategic report on page 4. The business continuity plan and compliance with local government guidelines was relatively easy to implement given the much- reduced workforce and operations from modest accommodation since the cessation of the PGC contract in December 2018. The Company has not earned any revenues in the year and management recognise that the pandemic has slowed the development of new business in the Middle East. Management have prepared detailed cash flow forecasts, on the assumption that zero revenues will be earned for at least 12 months from the signing date, and subsequent to the year end, the Board announced their intent to change the Company's business strategy to the development of an asset and wealth business. This fundamental change in strategy has been incorporated in management's going concern assessment.	The current operations of the Company have resulted in its ability to maintain its control environment whilst working remotely, and there was no evidence to suggest a breakdown in controls as a result of the pandemic. Sufficient and appropriate audit evidence was obtained, despite the audit being performed remotely. We obtained management's cash flow forecasts and evaluated the appropriateness of key assumptions and inputs including; • Verified the integrity of management's model, as well as agreeing the data to underlying support. We have agreed the model to Board approved forecasts. • We evaluated and challenged management's assumptions, which included assessment of committed costs and discretionary spend in management's model. We also confirmed cash balances as at 15 February 2021 to third party bank statements. • Agreed the mathematical accuracy of the model.

Key audit matter	How our audit addressed the key audit matter
Impact of COVID-19 (continued) The directors have reasonable confidence from the outcome of the assessment and the current strong cash balances, that the going concern basis adopted in the financial statements is appropriate.	We obtained evidence to support management's disclosures in the financial statements, and agreed the relevant disclosures within the Annual Report, and verified the consistency of this with the financial statements and our knowledge of the audit. We concur with management's assessment that the going concern basis remains appropriate, and that the disclosures in the financial statements adequately describes the nature of the risk, and impact on the Company.

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.

AssetCo plc is structured with two components; head office based in the UK and branch based in United Arab Emirates. The branch was historically revenue-generating, but in the current year has recognised no revenue following cessation of PGC contract.

The UK component is considered as a financially significant component given the significant assets held by the component, and a full scope audit was performed. The UAE branch is considered as a non-significant component, however specified procedures have been performed to gain coverage over certain financial statement line items.

Our audit procedures address over 99% of AssetCo plc's total assets as at 30 September 2020. No component auditors have been engaged in the current year.

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	£336,000 (2019: £38,150).
How we determined it	1% of total assets.
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, total assets are considered as the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark. This is a change in the benchmark applied in the previous year, where a profit-based measure (loss before tax) was used as trade from the contract with the Abu Dhabi government continued part way through the previous year.

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £16,800 (2019: £1,900) 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 where:

- 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.

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 2020 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 set out on page 9, 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.

Jason Clarke *(Senior Statutory Auditor)*
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

26 February 2021

Income Statement
for the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Continuing operations			
Revenue	5	**—**	5,345
Cost of sales		**—**	(4,237)
Gross profit		**—**	1,108
Other income	6	**4,597**	—
Administrative expenses		**(1,192)**	(1,810)
Operating profit/(loss)	7	**3,405**	(702)
Finance income	9	**18**	9
Finance costs	9	**(62)**	(70)
Profit/(loss) before tax		**3,361**	(763)
Income tax expense	11	**—**	—
Profit/(loss) for the year		**3,361**	(763)
Earnings/(loss) per share			
Basic – pence	12	**27.52**	(6.25)
Diluted – pence	12	**27.52**	(6.25)

Statement of Comprehensive Income

for the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Profit/(loss) for the year	5	**3,361**	(763)
Other comprehensive (expense)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		**(871)**	648
Other comprehensive (expense)/income, net of tax		**(871)**	648
Total comprehensive profit/(loss) for the year		**2,490**	(115)

Statement of Financial Position

as at 30 September 2020

	Notes	2020 £000	2019 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**—**	—
Total non-current assets		**—**	—
Current assets			
Trade and other receivables	14	**4,683**	11,222
Cash and cash equivalents	15	**27,860**	17,101
Cash held in respect of bonds	15	**1,058**	3,487
Total current assets		**33,601**	31,810
Total assets		**33,601**	31,810
Liabilities			
Current liabilities			
Trade and other payables	16	**1,256**	1,955
Total current liabilities		**1,256**	1,955
Total liabilities		**1,256**	1,955
Shareholders' equity			
Share capital	18	**1,221**	25,474
Share premium		**—**	64,941
Profit and loss account		**31,124**	(60,560)
Total equity		**32,345**	29,855
Total equity and liabilities		**33,601**	31,810

The notes on pages 22 to 41 are an integral part of these financial statements. The financial statements were authorised for issue by the board of directors on 26 February 2021 and were signed on its behalf by Tudor Davies.

Registered number: 04966347

Statement of Changes in Equity

for the year ended 30 September 2020

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2018	25,474	64,941	(60,445)	**29,970**
Loss for the year	—	—	(763)	**(763)**
Other comprehensive income:				
Exchange differences on translation	—	—	648	**648**
Total comprehensive expense for the year	—	—	(115)	**(115)**
Balance at 30 September 2019	25,474	64,941	(60,560)	**29,855**
Profit for the year	—	—	3,361	**3,361**
Other comprehensive expense:				
Exchange differences on translation	—	—	(871)	**(871)**
Total comprehensive income for the year	—	—	2,490	**2,490**
Capital reduction (see note 18)	(24,253)	(64,941)	89,194	**—**
Balance at 30 September 2020	1,221	—	31,124	**32,345**

Statement of Cash Flows

for the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Cash inflow from operations	21	**8,807**	1,709
Cash deposited in respect of bonds		**—**	(2,470)
Cash released in respect of bonds		**2,270**	1,123
Finance costs		**(62)**	(70)
Net cash inflow from operating activities		**11,015**	292
Cash flows from investing activities			
Finance income		**18**	9
Net cash inflow from investing activities		**18**	9
Net change in cash and cash equivalents		**11,033**	301
Cash and cash equivalents at beginning of year		**17,101**	16,800
Exchange differences on translation		**(274)**	—
Cash and cash equivalents at end of year	15	**27,860**	17,101

Notes to the Financial Statements
for the year ended 30 September 2020

1. LEGAL STATUS AND ACTIVITIES
AssetCo Plc ("AssetCo" or the "company") 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 an administrative office in the UK as well as a site in UAE. As at the year end, the company has no subsidiaries. AssetCo has been principally involved in the provision of management and resources to the fire and rescue emergency services in international markets however the board has decided to change strategy to develop an asset and wealth management business while continuing to seek new contracts for its UAE based business.

AssetCo 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 26 February 2021.

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 accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS") and the applicable legal requirements of 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 2020.

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.

As set out in the Chairman's statement the board has decided to pursue a new strategy of developing an asset and wealth management business. The successful conclusion of the claim against Grant Thornton has generated cash resources and freed up management time and the appointment of two new directors with considerable experience in asset and wealth management means the company is well placed to make a success of this. The company will also continue to employ key personnel in UAE and to seek and tender for future contracts.

On this basis, 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 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.

New and amended standards adopted by the company

The company has applied IFRS 16 'Leases' for the first time which is effective for annual periods beginning on or after 1 January 2019. The nature and impact of the new standard is described below:

On adoption of IFRS 16, the company is required to recognise lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities are to be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Under IFRS16(C13),(C10) the following practical expedients are permitted;

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing
- an impairment review – there were no onerous contracts in the company.
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 October 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The only leasing activities undertaken by the company are rental of office buildings in UK and UAE, together with leasing of cars for employees in UAE all of which are on short-term monthly contracts.

The company has applied the short-term lease exemption available under the standard, and there is therefore no material impact on adoption of IFRS 16 during the year.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2020 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods an on foreseeable future transactions.

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 transaction price is agreed in advance as part of the negotiation of a fixed term contract; typically this will lead to a monthly allocation of the contract value covering charges for services provided in that month and goods delivered on specific dates.

The company recognises revenue in respect of the provision of services for fire and emergency services in UAE. No revenue was recognised in the current year.

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 year. Revenue is recognised in the year in which the services are provided.

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 year 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 year 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 as those to be measured at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets include cash and cash equivalents, and trade and other receivables.

Trade receivables

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

From 1 October 2018 the company has applied the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. Under this approach a provision is made for lifetime expected credit losses for the trade receivable. For calculation of expected credit losses the trade receivables are grouped based on the number of days past due. Expected credit losses on trade receivables that are not past due are primarily based on actual credit losses from recent years.

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 and warranty 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.

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

As explained in Note 2.1 the company has changed its accounting policy for leases where the company is the lessee.

Accounting policy applied from 1 October 2019:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The only leasing activities undertaken by the company are rental of office buildings in UK and UAE, together with leasing of cars for employees in UAE all of which have a lease term of less than 12 months, and therefore the short-term lease exemption has been applied.

Accounting policy applied up to 30 September 2019:

All of the company's leases were classified as operating leases and payments were charged to the income statement on a straight-line basis over the lease term. Lease incentives, if applicable, were 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 year 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 year 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 year 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 year 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. Since the year end the company has been released from any liability by its customer.

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 2020, the company had no amounts outstanding from customers so had no credit risk in this respect. There was an amount outstanding of c. £1 million, being a deposit held by a financial institution in UAE. 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. Financial assets are considered to be credit-impaired if the company is unable to make free use of the asset under the terms of its agreement with the financial institution and that institution has given written notice that it is in financial difficulties. As with trade receivables amounts would only be written off when all legal avenues have been pursued and it is clear that there is no reasonable prospect of recovery.

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 17.

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 or 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:

	2020 £000	2019 £000
Issued share capital	**1,221**	25,474
Share premium account	**—**	—
Accumulated profits/(losses)	**31,124**	(60,560)
Total equity	**32,345**	29,855
Cash and cash equivalents	**(27,860)**	(17,101)
Cash held in respect of bonds	**(1,058)**	(3,487)
	(28,918)	(20,588)
Total capital	**3,427**	9,267

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.

As referred to in the Directors' report and note 18 the Company carried out a Tender Offer in December 2020 in which, following receipt of substantially all of the £30.5 million claim due from Grant Thornton, an amount of £26.9 million was returned to shareholders.

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. In particular, the directors note that outstanding debts at the balance sheet date have now been settled in full.

b) Judgements

The directors note the termination of the company's only contract on 17 December 2018. However, they do not believe this impacts the going concern basis of preparation for the reasons described in note 2.

The company largely operated in the UAE where the local currency is the Dirham but in the judgement of the directors Sterling is the functional currency as well as the reporting currency of the company. The directors have reached this conclusion on the basis that the company's financing is initiated and provided by the UK company working capital is managed from the UK and all operating income is ultimately retained in Sterling. In addition the directors note that significant costs are incurred in both Sterling and Dirham and also pricing for contracts is negotiated by the UK directors with a view to generating an appropriate Sterling profit.

The court case against Grant Thornton was successfully concluded on 2 October 2020, where the Company received notification from Grant Thornton that they would not appeal the judgement dated 28 August 2020. Legal correspondence prior to the year end and past experience of the ongoing litigation, indicated Grant Thornton's intended grounds for appeal. In the judgement of the Directors the receipt was not virtually certain at the balance sheet date and is a non-adjusting post-balance sheet event. More detail has been included in note 24 Post Balance Sheet Events.

The board do not consider that any other 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 £nil (2019:£5.3 million) are derived from the provision of services to a single customer within the UAE segment. No revenues (2019: £nil) were generated 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 revenue by origin shown below. Unallocated comprises the head office.

Analysis of revenue and results by geographic settlement

Year ended 30 September 2020

	UAE £000	Unallocated £000	Continuing operations £000
Revenue			
Revenue to external customers	—	—	—
Total revenue	—	—	—
Segment result			
Operating(loss)/profit	(129)	3,534	3,405
Finance income	—	18	18
Finance costs	(62)	—	(62)
(Loss)/profit before tax	(191)	3,552	3,361
Income tax	—	—	—
(Loss)/profit for the year	(191)	3,552	3,361
Segment assets and liabilities			
Total assets	1,196	32,405	33,601
Total liabilities	(1,064)	(192)	(1,256)
Total net assets	132	32,213	32,345
Other segment information			
Total capital expenditure	—	—	—

Year ended 30 September 2019

	UAE £000	Unallocated £000	Continuing operations £000
Revenue			
Revenue to external customers	5,345	—	5,345
Total revenue	5,345	—	5,345
Segment result			
Operating profit/(loss)	296	(998)	(702)
Finance income	—	9	9
Finance costs	(70)	—	(70)
Profit/(loss) before tax	226	(989)	(763)
Income tax	—	—	—
Profit/(Loss) for the year	226	(989)	(763)
Segment assets and liabilities			
Total assets	15,572	16,238	31,810
Total liabilities	(1,665)	(290)	(1,955)
Total net assets	13,907	15,948	29,855
Other segment information			
Total capital expenditure	—	—	—

6. OTHER INCOME

The legal action against the company's former auditor Grant Thornton, originally heard in June 2018, resulted in a judgement in AssetCo's favour. Grant Thornton subsequently appealed this judgement and a hearing was held in January 2020. On 28 August 2020 the Court of Appeal handed down their judgement which was that the original opinion stood but the quantum of the Court award was reduced to reflect credit for the July 2009 share issuance and the disallowing of an element of the losses. After adjusting for the reduction by the Court the revised award, including costs and interest, amounted to approximately £30.5 million.

Both parties were given leave to appeal although in the judgement of 28 August it was ordered that Grant Thornton must pay to AssetCo approximately £4.6 million in costs plus associated interest irrespective of the outcome of any appeals and it is this amount which is reflected as other income in the 2020 financial statements.

As referred to in the Chairman's statement and Note 24 Post Balance Sheet Events Grant Thornton informed the company on 2 October 2020 that they would not be appealing the judgement. Accordingly the remaining amount of approximately £25.9 million became payable but will not be recorded until the 2021 financial statements as at the balance sheet date its receipt was not certain.

7. OPERATING PROFIT/(LOSS)

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

	2020 £000	2019 £000
Depreciation of property plant and equipment (note 13)	**—**	26
Loss/(profit) on foreign exchange differences	**23**	(71)
Fees payable to the company's auditors:		
For the audit of the annual financial statements	**45**	75
For other services	**—**	—
	45	75
Operating lease rentals	**—**	176
Employee benefit expense	**425**	4,401
Raw materials and consumables used	**—**	43

Leases recognised in income statement

The income statement shows the following amounts relating to leases:

	2020 £000	2019 £000
Expense relating to short-term leases	**58**	—

8. EMPLOYEES AND DIRECTORS

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

	2020 No.	2019 No.
Production	**—**	63
Administration	**5**	5
	5	68

The costs incurred in respect of these employees were:

	2020 £000	2019 £000
Wages and salaries	**403**	4,091
Social security costs	**8**	8
Other pension costs	**14**	302
	425	4,401

Key management compensation

The directors consider the board to be the key management.

	2020 £000	2019 £000
Payments made to board directors		
Aggregate fees and emoluments	**110**	110
Including in respect of the highest paid director:		
Salary and benefits	**70**	70

In addition, as set out in note 23, consultancy services were provided to the company during the year by Cadoc Limited, a company associated with the chairman, Tudor Davies.

There were no pension contributions made in respect of key management (2019: £nil).

Employee benefit obligations – overseas schemes

The UAE based branch of AssetCo contributes towards a statutory pension scheme to the Abu Dhabi government. The total cost in the year for this scheme was £nil (2019: £235,000).

9. FINANCE INCOME AND FINANCE COSTS

	2020 £000	2019 £000
Finance costs on bonds and letters of credit	**(62)**	(70)
Finance income	**18**	9
	(44)	(61)

10. DIVIDENDS

A final dividend for 2020 has not been recommended (2019: £nil).

11. INCOME TAX EXPENSE

	2020 £000	2019 £000
Current taxation		
UK corporation tax	**—**	—
Total current tax	**—**	—

The difference between the profit/(loss) on ordinary activities at an effective corporation tax rate of 19% (2019: 19%) ruling in the UK and the actual current tax shown above is explained below:

	2020 £000	2019 £000
Profit/(loss) before tax	**3,361**	(763)
Tax at a standard rate of 19% (2019: 19%)	**639**	(145)
Factors affecting tax charge for the year:		
Losses not allowable/(income not taxable)	**36**	(43)
Tax losses used	**(675)**	—
Tax losses generated	**—**	188
	—	—

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%.

12. EARNINGS/(LOSS) PER SHARE

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

	2020	2019
Profit/(loss) for the year – £000	**3,361**	(763)
Weighted average number of ordinary shares in issue – no.	**12,211,163**	12,211,163
Basic and diluted earnings/(loss) per share – pence	**27.52**	(6.25)

There have been ordinary share transactions which have occurred since the year end and these are set out in Note 24 Post Balance Sheet Events.

13. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £000	Total £000
Cost		
At 1 October 2018, 30 September 2019 and 30 September 2020	26	**26**
Accumulated depreciation		
At 1 October 2018, 30 September 2019 and 30 September 2020	26	**26**
Net book value		
At 30 September 2019 and 30 September 2020	—	**—**

Security

As at 30 September 2020 the company provided no security in respect of property, plant and equipment (2019: £nil).

14. TRADE AND OTHER RECEIVABLES

	2020 £000	2019 £000
Trade receivables	**—**	11,054
Other receivables	**4,640**	83
Prepayments and accrued income	**43**	85
	4,683	11,222

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 £0.03 million (2019: £11.1 million)

Other receivables includes £4.6 million in costs plus associated interest, which was ordered by the Court to be paid by Grant Thornton to the Company. See also Note 6.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and accrued income. The company does not hold any collateral as security. There is a material concentration of credit risk due to the company's individual material debts being with the Abu Dhabi government. However, these are nationally backed and have an AA/Aa credit rating as well as there being a strong history of collection of trade debts due. This risk is not applicable for the current year.

As of 30 September 2020, trade and other receivables of £nil (2019: £nil) were impaired. The amount of the provision was £nil (2019: £nil). No trade receivables were written off during the year (2019: £nil).

15. CASH AND CASH EQUIVALENTS

	2020 £000	2019 £000
Cash at bank and in hand	**27,860**	17,101
Cash and cash equivalents	**27,860**	17,101
Cash and cash equivalents		
UK sterling	**26,441**	15,894
UAE dirhams	**1,419**	1,207
	27,860	17,101

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 £1.1 million (2019:£3.5 million) were held on deposit as security in respect of outstanding performance and warranty bonds. See note 22 – Contingent Liabilities – for further information.

16. TRADE AND OTHER PAYABLES

	2020 £000	2019 £000
Trade payables	**102**	166
Other payables	**2**	87
Other taxation and social security	**3**	3
Accruals	**1,149**	1,699
	1,256	1,955

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 £1.1 million (2019: £1.7 million).

17. FINANCIAL ASSETS AND LIABILITIES

The following tables illustrate the categorisation and carrying value of financial assets and liabilities as at 30 September 2020. Credit risk is also discussed in note 3.1 (a).

Financial assets

	At amortised cost	
	2020 £000	2019 £000
Trade receivables	**—**	11,054
Other receivables	**4,640**	83
Cash and cash equivalents	**27,860**	17,101
Cash held in respect of bonds	**1,058**	3,487
	33,558	31,725

Financial liabilities

	At amortised cost	
	2020 £000	2019 £000
Trade and other payables	**1,253**	1,952

Maturity analysis of financial liabilities

The following disclosures show the maturity profile of contractual undiscounted cash flows of financial liabilities, excluding deferred income, as at 30 September 2020:

	Trade payables £000	Other payables and accruals £000	Total £000
2020			
In one year or less	**102**	**1,151**	**1,253**
2019			
In one year or less	166	1,786	1,952

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 2020, with all other variables remaining constant. A 10% variation would have had an impact on the balance sheet of £131,000. Of this charge, £122,000 would be taken to the income statement.

	UK sterling £000	UAE dirhams £000	Total £000	10% £000
2020				
Financial assets	**31,051**	**2,507**	**33,558**	**(228)**
Financial liabilities	**(189)**	**(1,064)**	**(1,253)**	**97**
	30,862	**1,443**	**32,305**	**(131)**
2019				
Financial assets	15,912	15,813	31,725	(1,437)
Financial liabilities	(287)	(1,665)	(1,952)	151
	15,625	14,148	29,773	(1,286)

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

18. SHARE CAPITAL

	2020 £000	2019 £000
Allotted, issued and fully paid		
12,211,163 (2019: 12,211,163) ordinary shares of 10p each	**1,221**	1,221
Nil (2019: 90,712,740) deferred shares of 24p each	**—**	21,771
Nil (2019: 501,425) deferred shares of 495p each	**—**	2,482
	1,221	25,474

In a circular to shareholders dated 10 June 2020 it was proposed that the company be allowed to reduce its capital by cancelling all outstanding deferred shares of 24p and 495p together with the balance standing to the credit of the share premium account. This Resolution was duly approved at a general meeting of shareholders on 10 July 2020 and confirmed at a Court hearing on 4 August 2020. Accordingly the only shares remaining in issue at the balance sheet date are the 12,211,163 ordinary shares of 10p each.

There have been changes to share capital since the year end and these are set out in Note 24 Post Balance Sheet Events.

19. TAX LIABILITIES AND DEFERRED TAXATION

Deferred taxation

There was no deferred tax asset or liability recognised at 30 September 2020 (2019: £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 2020 or 30 September 2019. The unrecognised asset in respect of tax losses at 30 September 2020 amounts to £2.6 million (2019: £3.0 million).

20. FUTURE CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in these financial statements at 30 September 2020 (2019: £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	
	2020 £000	2019 £000	2020 £000	2019 £000
Within one year	**4**	14	**—**	—

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.

Adoption of IFRS 16, 'Leases'

The operating lease commitment note is no longer relevant under IFRS 16. However, as we have taken the exemption for short-term leases (lease contracts less than one year), these continue to be disclosed here as 'operating leases'. Also, as the prior year figures have not been restated, we have continued to disclose the operating lease commitments under IAS 17 as at 30 September 2020.

21. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAX TO NET CASH INFLOW FROM OPERATIONS

	2020 £000	2019 £000
Profit/(loss) for the year before taxation	**3,361**	(763)
Depreciation	**—**	26
Finance costs (note 9)	**62**	70
Finance income (note 9)	**(18)**	(9)
Decrease in receivables	**6,024**	5,670
Decrease in payables	**(622)**	(3,285)
Cash inflow from operations	**8,807**	1,709

22. CONTINGENT LIABILITIES

	Approximate maximum potential liability	
	2020 £000	2019 £000
Warranty bond related to a UAE based contract, released in full in 2020	**—**	1,270
Performance bond related to a UAE based contract released in full in 2020	**—**	1,100
Performance bond related to a UAE released in full in January 2021	**1,058**	1,100

23. 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 year, 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 2020

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

For the year ended 30 September 2019

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

Tudor Davies was appointed Executive Chairman on 23 March 2011.

Consultancy services were provided by Cadoc Limited, a company associated with Tudor Davies, to AssetCo during the year at a cost of £83,000 (2019: £141,000), including at the balance sheet date an accrual of £42,000 (2019: £47,000). On conclusion of the court action against Grant Thornton, Cadoc Limited is entitled to a success fee of 15% of the funds realised from the litigation. As referred to in Note 24 Post Balance Sheet Events the Court case against Grant Thornton has now been successfully concluded and the fee has been settled by the issue of shares with a value of £3,530,000.

Non-executive directors' remuneration

	2020	2019
	£000	£000
Mark Butcher	**20**	20
Christopher Mills	**20**	20
	40	40

24. POST BALANCE SHEET EVENTS

As referred to in the Chairman's statement on 2 October 2020 Grant Thornton wrote to the company informing them that they would not appeal the judgement dated 28 August 2020 which therefore then became final. Accordingly the balance of the award, after the company had reflected in these financial statements the agreed element of costs and interest decided by the Court, amounting to approximately £25.9 million is a post-balance sheet event and will be reflected in the company's 2021 financial statements.

As the Court case against Grant Thornton was successfully concluded on 2 October 2020 a fee became payable to Cadoc Limited amounting to 15% of the proceeds excluding costs. This fee was settled by way of an issue of 854,722 ordinary shares in the company at a price of £4.13 per share. This was approved at a general meeting of shareholders on 17 December 2020.

In a circular dated 2 December 2020 the company proposed a tender offer to shareholders. This exercise was completed on 21 December 2020 and had the effect of reducing cash reserves by approximately £26.9 million and the number of shares in issue by 6,532,942.

On 8 January 2021 an Investor Group consisting of Martin Gilbert, Peter McKellar (both of whom became non-executive directors on 25 January 2021) and Toscafund Asset Management and various associates acquired a 29.8% shareholding in the company from existing shareholders. Additionally during January and February 2021 the company purchased an investment of 5.85 percent of River and Mercantile Group plc, an asset management business, at a total cost of £10.4 million. These events are part of a move by the company to a new strategy of developing an asset and wealth management business. Under AIM Rule 14 this will require a readmission process and the company expects to send out a circular to shareholders before 31 March 2021.

There are no other post balance sheet events.