ACE LIBERTY & STONE PLC

ANNUAL REPORT 2020


SHOPPING CENTRE College Square SHOPPING CENTRE
NatWest
MORRISONS
NatWest
job centre plus
CASINO
MORRISONS
Clydesdale Bank
MECCA
Gala bingo CLUB · ONLINE · MOBILE
Iceland
Boots
MORRISONS
The William Jameson
Crown Prosecution Service
CPS
SOAMES
KONE
jobcentreplus
SHILDON HOUSE
jobcentreplus
SKIPTON BUILDING SOCIETY
College Square SHOPPING CENTRE
Gala bingo CLUB · ONLINE · MOBILE
MECCA
Northern Gallery for Contemporary Art
← Project Space
ALL WORK GUARANTEED
Resprays · Panel Beating
Alloy Wheel Repairs
T - 01752 250 575 F - 01752 250 655
BRADBURN
01752-67 21 51
savers

THIS DOCUMENT IS IMPORTANT. PLEASE READ IT IMMEDIATELY. If you are in any doubt about the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Ace Liberty & Stone Plc, please send this Document, together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the person who now holds the shares.

ACE LIBERTY & STONE PLC

Company number 06223892

NOTICE OF ANNUAL GENERAL MEETING

DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

Notice of the Annual General Meeting of Ace Liberty & Stone Plc (the "**Company**") to be held at 10.30 a.m. on 30 October 2020, at 3a Pont Street, London SW1X 9EJ is set out on pages 38 and 39 of this Document.

A Form of Proxy for use at the Annual General Meeting is on page 43, and, to be valid, the Form of Proxy must be completed in accordance with the instructions set out on it and in the notes on pages 45 and 46 and returned to the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, as soon as possible, but in any event not later than 10.30 a.m. on 28 October 2020. The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the Annual General Meeting should you wish to do so. Your attention is drawn to the notes to the Form of Proxy.

Your attention is also drawn to the letter from the Chairman of the Company which is set out on pages 36 and 37 of this Document and recommends that you vote in favour of the resolutions to be proposed at the Annual General Meeting.

In accordance with Government legislation and related restrictions in response to COVID-19, and to minimise public health risks, the General Meeting is to be held as a closed meeting unless both the coronavirus (COVID-19) situation and the applicable guidance have changed prior to the date of the meeting. Unless Shareholders are notified otherwise by the Company prior to the date of the General Meeting, the arrangements for the meeting shall be that neither Shareholders, nor their proxies nor corporate representatives will be permitted to attend the meeting in person. As such, Shareholders are strongly encouraged to appoint the Chairman of the General Meeting to act as their proxy as no other person will be permitted to attend the meeting.

Photos

Front Cover

Safe in good times and bad

Inside Front Cover

Some of our tenants - Government and corporate bodies, large and small, operating in many sectors serving the public in a variety of ways - with whom Ace is working to ensure they can continue to do so at this difficult time.

Inside Back Cover

Two properties acquired since the year end.

Top - 82 English Street, Carlisle. Tenant - Clydesdale Bank

Bottom - 16-17 Westborough, Scarborough. Tenant - Skipton Building Society

Highlights

- Revenue for the year up 26.0% to £6,391,897 (FY2019: £5,072,435)
- Improved debt / equity ratio at 163% (FY2019: 289%)
- Increased shareholders' funds of £31,647,257 (FY2019: 21,170,030) (49.5% increase)
- Increased cash resources of £7,432,958 (FY2019: £1,956,742)
- Tenancies of local and national government departments stable at 58% (FY2019: 59%), ensuring continuity of income

"Coronavirus has caused a rethink on the use of office space. Our focus has always been on regional hubs across the country rather than prestigious central London properties which now look vulnerable to the expansion of working from home.

"We have a strong, stable position with a healthy balance sheet and good cashflow. This sets us up to explore further opportunities, even in this unusual economic and political situation."

Ismail Ghandour, CEO

Contents

Company Information, Directors and Advisors

Directors:	Dr Tony Ghorayeb - Non Executive Chairman Ismail Ghandour MBA - Chief Executive Mark Thomas MRICS, IRRV - Commercial Director Ivan Minter FCA - Finance Director Keith Pankhurst – Senior Independent Director Kayssar Ghorayeb - Non Executive Director Hikmat El-Rousstom - Non Executive Director
Company Secretary:	International Registrars Limited
Registered Number:	06223892 (England and Wales)
Registered Office:	Finsgate 5-7 Cranwood Street London EC1V 9EE
Bankers:	Lloyds Bank Plc 10 Gresham Street London EC2V 7AE Coutts & Co 440 Strand London WC2R 0QS
Auditors:	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Registrars:	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Solicitors:	Bracher Rawlins LLP 77 Kingsway London WC2B 6SR Spector Constant & Williams 10 - 12 Ely Place Holborn London EC1N 6RY
Brokers	SP Angel 35 Maddox Street London W15 2PP

Chairman's Statement

It is with great pleasure that I recommend this Annual Report which shows the Group in a solid position. The Group has followed a consistent policy over the past five years and there is comprehensive information in the document which supports the views I have expressed here. I commend it to your study, especially the Strategic Report and the Key Performance Indicators.

Reviewing my previous statement in the light of subsequent events, especially the COVID 19, pandemic shows that the directors' policy of cautious expansion outlined then was exactly what was needed.

My statement of last year detailed the strength of the Company at that point. Early in 2019, the directors decided to buy no further properties for a short period, but enjoy the annual rental income of some £6.5m from the existing portfolio without devoting resources to further growth.

With hindsight, this has proved to be an excellent decision.

During the year under review the Group made no property acquisitions. However, taking advantage of easing property prices, it has now acquired 16-17 Westborough, Scarborough, North Yorkshire for £1,430,000 partly financed by a secured loan of £625,000 from Coutts & Co. The tenant is Skipton Building Society with a passing rent of £131,000 p.a. The Group has also exchanged contracts for the irrevocable purchase of 78/82 English Street and 49/53 Blackfriar Street, Carlisle at a price of £1,710,000 with completion by 7 December 2020. The main tenant is Clydesdale Bank plc with a rent of £120,000 p.a. Both properties have long unexpired leases with very creditworthy tenants and further reinforce our ownership strategy.

The Group has acted to improve its debt / equity ratio. At 30 April 2019 it stood at 289%; at 30 April 2020 it was 163%. The 5% CLN issued in January 2018 matured in December 2019 and by 30 April 2020 £3,838,700 had been converted into equity by means of conversion or exercise of associated warrants. £875,000 was still outstanding at that date, having been rolled over on the existing terms. In April 2020 the Company agreed to offer the holders of the 7% Loan the option of converting their holdings into shares to be issued at 50p. Holders of loans totalling £2,200,000 agreed, leaving £1,000,000 outstanding. These actions have greatly strengthened the Group balance sheet and removed a substantial liability for capital repayments and interest liabilities when it is in Ace's best interests to conserve its cash resources.

In the autumn of 2019, the directors became aware there was substantial investor demand for the Company's shares in Lebanon. Accordingly, the directors exercised their options over 6,983,333 shares and sold them into the market. This simultaneously raised cash for the Group's activities and removed the overhang to the market.
In early 2020, it became apparent to the Directors that the Covid 19 virus would have a substantial, but then unquantified, impact on the UK economy. As a matter of prudence they decided to suspend dividend declarations temporarily to conserve cash resources.

The Group collected 82% of the rents due to it at the March quarter day and made agreements with those tenants whose businesses were badly affected by the lockdown to allow deferral of payments until activity returned to normal with all arrears collectible by December 2021. One tenant subsequently entered into a Creditors' Voluntary Arrangement and this will result in the loss to the Group of approximately £78,000 in rental income. With this one exception, all the Group's tenants have resilient business activities and their ongoing ability to pay their rent is undiminished.

Forecasting the future is a perilous occupation. However three things are clear;

1. The economic consequences of the pandemic will be far-reaching and opportunities will arise out of the ensuing turbulence.
2. The Companies which are in the best position to respond are those with strong balance sheets and cash resources.
3. Ace has a robust property portfolio with substantial cash balances and is looking to take advantage of any opportunities which arise.

We look forward to the next year with great confidence.

Dr Tony Ghorayeb
Chairman
Date: 2 October 2020

Corporate Governance Statement

The Board has put in place a framework for corporate governance which it believes is appropriate to the Company. The Company's ordinary shares are quoted on the AQSE Growth Market and, as such, Ace Liberty & Stone plc is not required to comply with all aspects of the UK Corporate Governance Code. However, the Board is committed to maintaining the highest standards appropriate to a Company of this size and nature. As a response to the social distancing requirements in place to combat the spread of Covid 19, the Company now holds the majority of meetings via the internet.

The Board

The Board comprises the Non-Executive Chairman, the Chief Executive, the Senior Independent Director, two non-executive and two executive directors. The directors' biographical details are shown on the Company's website. One third of the directors are subject to re-election by rotation at the Annual General Meeting each year. All newly appointed directors stand for election at the Annual General Meeting following their appointment.

The Board meets at least four times each year. The Board's responsibilities include approving the Company's strategy and annual budget, authorising major investments, acquisitions and capital expenditure, and monitoring the performance of the business.

The non-executive directors are all considered to be independent and have a voting majority on the Board and each committee.

Board Committees

Each committee has defined terms of reference and meets at least twice each year.

Nominations

The Nominations Committee comprises Keith Pankhurst (chairman), Kayssar Ghorayeb and Ismail Ghandour. The committee is responsible for identifying and proposing prospective candidates for directors for consideration and appointment by the Board as a whole.

Audit

The Audit Committee comprises Kayssar Ghorayeb (chairman), Keith Pankhurst and Ivan Minter. The Chief Executive and external auditor attend its meetings by invitation. The Committee reviews the audit appointment periodically, discusses the audit plan with the auditor and recommends approval of the financial statements to the Board. The committee meets with the auditor twice-yearly. Internal controls are the direct responsibility of the directors.

Remuneration

The Remuneration Committee comprises Dr Tony Ghorayeb (chairman), Kayssar Ghorayeb, and Hikmat El-Rousstom. It determines on behalf of the Board the remuneration package of the executive directors. The Remuneration Committee is also responsible for approving the bonus targets and payments for the Company's executive directors. In coming to these decisions the Remuneration Committee considers the overall performance of the Company and of the individual directors. Share options, which are approved at the Company's AGM, have historically been granted to compensate for the low level of salaries. These options have all now been exercised.

Attendance at meetings

The following is the record of directors' attendance at Full and Committee Meetings of the Board:

	Attended		Entitled to attend	
	Full Board	*Board Committees*	*Full Board*	*Board Committees*
Dr Tony Ghorayeb	12	2	12	2
Ismail Ghandour	12	2	12	2
Mark Thomas	12	-	12	-
Kayssar Ghorayeb	12	6	12	6
Ivan Minter	12	2	12	2
Keith Pankhurst	12	4	12	4
Hikmat El-Rousstom	12	2	12	2

Shareholders

At 4 September 2020, the following shareholders held more than 3% of the company's issued share capital:

	Shares of 25p	%
LiBank S.A.L.	13,783,894	23.56
Dr Abdel-Karim El-Rousstom	9,737,896	16.64
HSBC Global Custody Nominee (UK) Limited	5,614,078	9.60
Daniel Waylett	5,219,000	5.76
Dinama Holdings Limited	3,751,378	8.92
Ismail Ghandour	3,664,416	6.26

The Company's website is **http://acelibertyandstone.com/**

Strategic Report

Principal activity

The principal activity of the Group continues to be that of property investment. The Board locates properties with good covenants which offer a high yield and the opportunity to add capital value to the initial investment. In addition to properties which have the opportunity of early development, the Group holds a proportion of its portfolio in properties with longer-term tenancies in order to achieve a balanced portfolio and to protect future cash flow.

The success of this strategy rests on the executive directors' ability to select suitable properties and manage the project plans for enhancement. The Chief Executive and the Commercial Director have a wide range of contacts and the experience to judge market trends. The result so far has been that each commercial property sold has realised a sizable profit.

Long term objective

The Group's long term objective is to create a portfolio of commercial properties with a good flow of annual rental income from creditworthy tenants. Properties selected will also have realistic prospects of conversion to alternative uses beyond the current tenancy agreement. The definition of these objectives is further explained in the key performance indicators which also disclose performance against these objectives.

Review of business

No properties were acquired during the year as the Group has established a balanced portfolio with a good level of income. At the year end, four properties were classified as held for sale in the balance sheet.

An overall review of business is given in the Chairman's Statement on page 4.

The Board monitors key financial performance indicators. The indicators are appropriate to the circumstances of the business. For the year ended 30 April 2020 they are summarised on the pages 8 and 9.

Principal risks and uncertainties

The Group's portfolio is exclusively invested in the UK and therefore is exposed to the risks and uncertainties of the UK economy.

The directors consider that the principal risk for the Group is in respect of the valuation of the Group's investment properties. The properties are subject to fluctuating market conditions, affected by consumer confidence, the performance of the UK economy, and the liquidity in the market as well as fluctuating interest rates. These risks will also affect the Group's ability to acquire properties in the future. The directors mitigate these risks by investing only in properties with good covenants and good prospects for alternative use at the end of the current lease.

The Group is exposed to interest rate risk. The Company has benefitted from the current, exceptionally low, interest rates, but does not expect this to continue. The directors mitigate this risk by hedging at least 75% of the group-wide facility for protection against future interest rate rises. Future returns on acquisitions are evaluated projecting higher than current rates.

There is a risk that the Group will be unable to finance future acquisitions and thus inhibit growth. This is mitigated by establishing facilities with preferred lenders which are familiar with and supportive of the Group's strategy and achievements. All borrowing is undertaken at cautious assessments of, for example, loan-to-value and interest cover. Covenants have been comfortably met to date and this prudent policy will continue.

The Group plans to continue to expand the portfolio and to continue to develop its existing holdings. However, the future stability of the Group is not dependent on growth and it can continue profitably at its present size.

Brexit

The Group has invested solely in England. It has no currency exposure and its business will be unaffected by the United Kingdom leaving the European Union. The Group has considered the effect of Brexit on its tenants and can see no reason why their businesses should be adversely affected. In note 4 of the Financial Statements, the Group discloses information on its tenants. The industrial and commercial tenants consist almost entirely of banks and retailers of essential domestic supplies which are purchased locally.

In the event that Brexit (or Covid 19) lead to the breakup of the United Kingdom, the Company is also free from risk as it has no Irish, Scottish or Welsh properties or tenants.

Should Brexit have a widespread adverse (or beneficial) effect on the economy in which Ace operates, that will inevitably affect all trading companies and Ace will be no exception.

Covid 19

This affects the Group in a number of ways.

Effect on tenants

It is reported elsewhere that some tenants' businesses have been adversely affected prejudicing their ability to comply with their lease obligations. Negotiations have been undertaken with all the tenants concerned with a view to helping them survive but without long term detriment to the Group's business. Arrears will, in general, be collected by 31 December 2021 and no tenant's business appears to be in danger of failure. One tenant has commenced a restructuring under the terms of a CVA and this is calculated to cost the Group some £78,000. Some small losses may also be sustained from family business tenants which do not have the depth of resources to survive a prolonged period of poor trading. Although unwelcome, this is not fundamental to Ace's survival. Where appropriate, revised terms have been negotiated to offset concessions to tenants with benefits to Ace, such as extending lease periods and cancelling break clauses.

Ownership of properties

Compliance with social distancing provisions imposes a burden on property owners and occupiers. All the Group's leases are on a full repairing and insuring basis placing the full cost of compliance on the tenant. The majority of properties are let wholly to one tenant, who is then responsible for the full property operating cost. Where there multiple tenants are in occupation, service charge arrangements are in place, under the control of a local agent, to carry out necessary works. In none of these instances are there any common areas where the freeholder bears the cost.

Strategic Report (continued)

Employer of staff
The Group has one employee, who works in an administrative capacity, in addition to the directors. The office was closed during lockdown and employees put on furlough where appropriate. Staff and directors alike now work predominantly from home with visits to the office only where it is essential and government guidelines can be observed.
Meetings have been held via the internet.

Future developments

The Company's management constantly monitors opportunities to sell properties where this offers a profit to the Group and is in line with strategic objectives. Some properties fall within the IFRS definition of assets held for sale and are designated accordingly in the balance sheet. Regardless of category, sale opportunities are assessed on merit; a number of transactions are currently being considered and will be announced at the appropriate time.
The directors are of the view that economic consequences of the Covid 19 pandemic will create opportunities which the Group will be well placed to take advantage of.
The directors will continue the same investment policies which have been successful since its listing with the intention of continuing to increase the Group's assets in the future.
The Strategic Report was approved by the Board on 2 October 2020 and signed on its behalf by:

Ivan Minter

Director

Key Performance Indicators

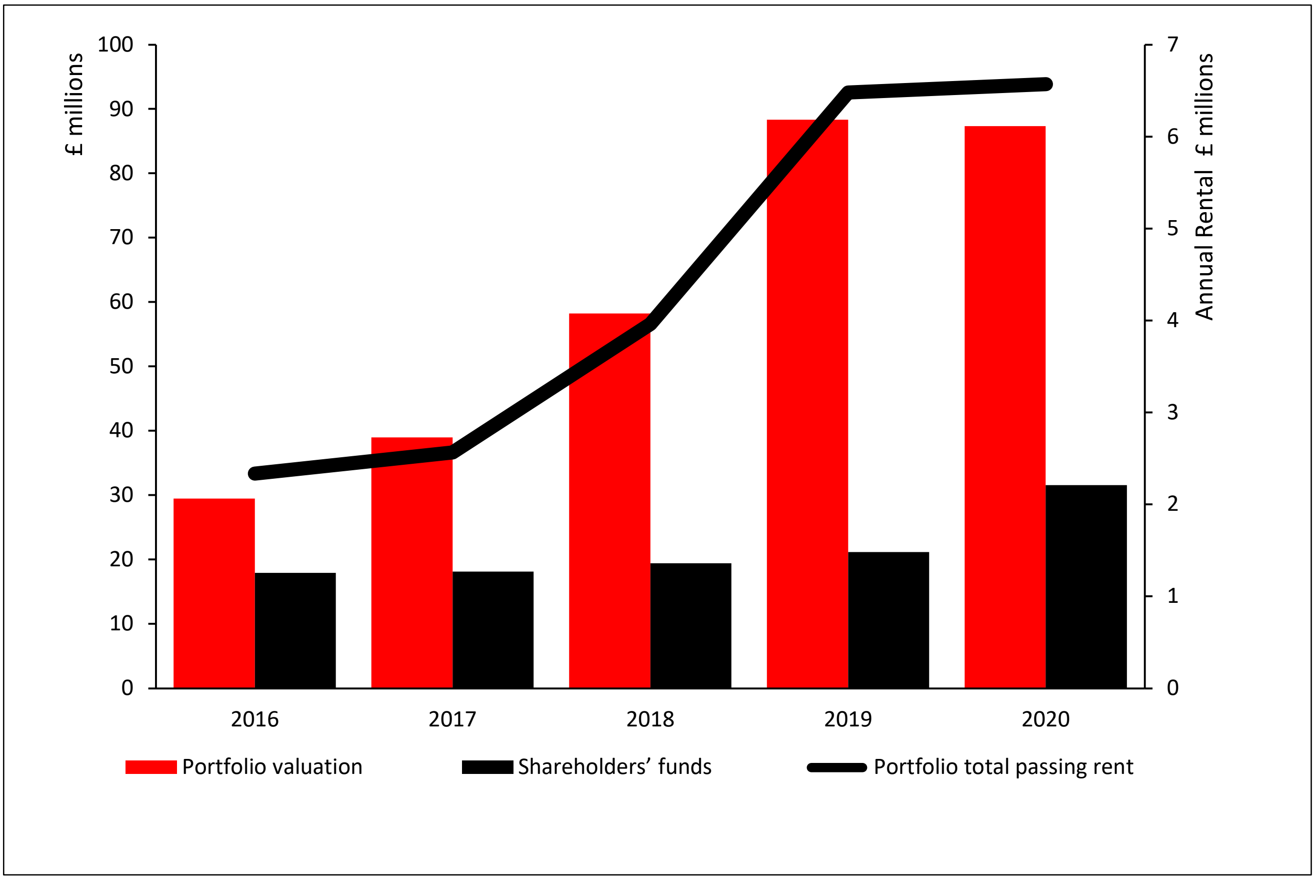
The board monitors the following data which it considers appropriate to share with shareholders to generate a better understanding of the business.

			At 30 April		
	2016	**2017**	**2018**	**2019**	**2020**
	£	**£**	**£**	**£**	**£**
Property portfolio	29,488,428	38,979,308	58,221,866	88,323,017	87,318,017
Shareholders' funds	17,946,575	18,132,735	19,439,335	21,170,030	31,647,257
Rental income for year	2,037,308	2,632,219	3,515,088	5,072,435	6,391,897
Profit after tax	259,993	962,676	361,295	765,717	120,365
Portfolio total passing rent	2,336,800	2,563,565	3,960,279	6,477,438	6,566,740
	%	**%**	**%**	**%**	**%**
Loan to value	35.90	50.61	49.21	52.02	53.35
	years	**years**	**years**	**years**	**years**
Weighted average unexpired lease to break (WAULB)	6.71	9.50	9.60	8.72	8.00

The values shown for Property portfolio, Shareholders' funds, Rental income for year and Profit after tax are taken from the audited accounts. Interim values are calculated on a consistent basis.

Portfolio total passing rent is the annual rental income of the aggregate of the leases in force at the appropriate point in time. It differs from Rental income for year in that the latter is the recorded income for a specific period and is a lower value because, for example, some properties are only owned for a part of the period

Weighted unexpired average lease to break is a good indicator of the resilience of the portfolio. The Group has highly creditworthy tenants (see note 4) who are extremely unlikely to default on their lease obligations. The high WAULB value indicates the portfolio could easily withstand a short period of non-occupation at the end of a lease in the unlikely event that eventuality should occur while a sale is being arranged.

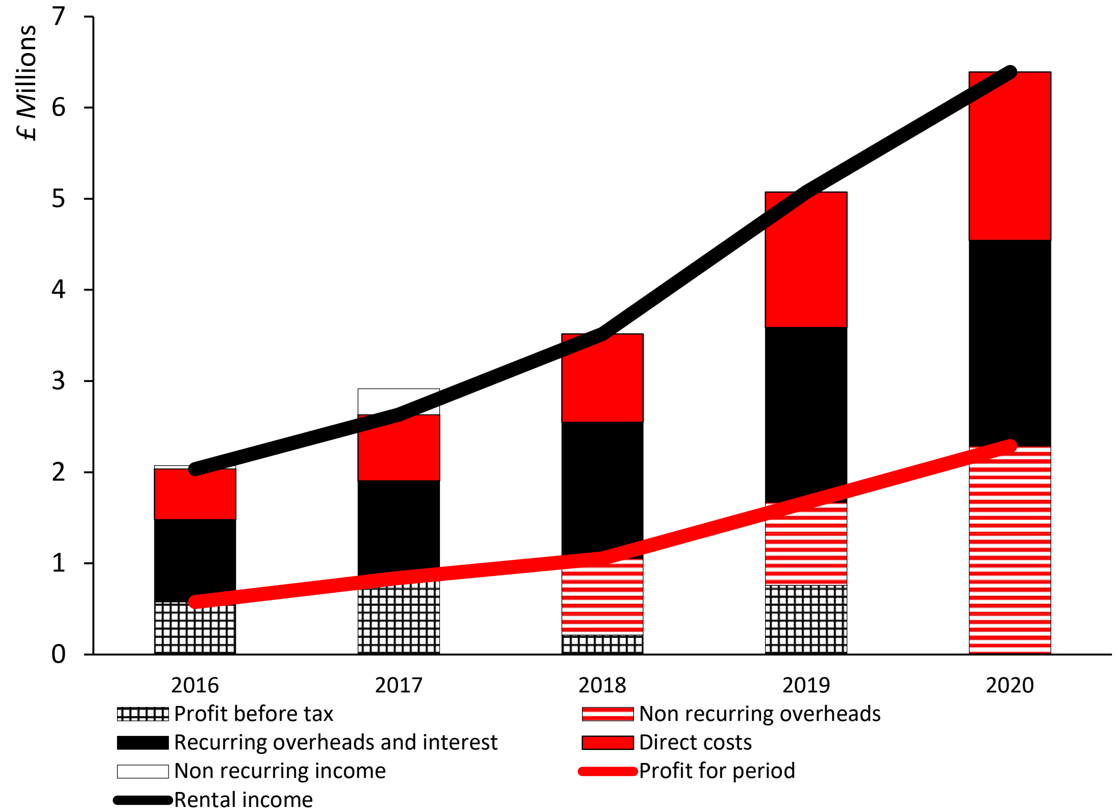


Key Performance Indicators (continued)

The Board monitors the financial performance of the Group in the following format and this is also reproduced for the benefit of shareholders.

	Year ended 30 April				
	2016	2017	2018	2019	2020
	£	£	£	£	£
Rental income	2,037,308	2,632,219	3,515,088	5,072,435	6,391,897
Interest on secured property loans	(322,542)	(523,240)	(829,351)	(1,445,218)	(1,794,056)
Property management	(235,338)	(204,125)	(140,065)	(39,687)	(56,376)
Gross contribution	1,479,428	1,904,854	2,545,672	3,587,530	4,541,465
Recurring overheads	(719,998)	(1,018,745)	(782,411)	(872,735)	(856,173)
Net interest	(183,635)	(46,911)	(708,751)	(1,046,926)	(1,397,715)
Profit for period	575,795	839,198	1,054,510	1,667,869	2,287,577
Non recurring income and overheads	36,538	283,119	(840,369)	(908,906)	(2,278,325)
Profit before tax	612,333	1,122,317	214,141	758,963	9,252

This table is a re-analysis of the statutory Income and Expenditure Account and contains the same information – as can be seen from the identical values for Rental income and Profit before tax.
This layout embodies the information used by management to monitor the portfolio's performance and evaluate new acquisitions. Key decisions revolve around the contribution of a property after paying interest on the secured loan required to finance its purchase.
Property management costs largely relate to the residential properties which have largely been disposed of. Hence the declining trend over the five-year period.
The split of overheads is self-explanatory. Recurring overheads relate mainly to directors' salaries and fees, legal and professional fees, and costs of compliance and regulation. Non-recurring overheads relate to costs of arranging finance, professional fees for property development and the costs of selling properties. In the current year the property impairment charge of £950,000 is the largest individual item.
Net interest is the cost of general finance facilities (not specifically secured on properties) for the company.
The profits from property sales are included with the non-recurring costs.
This format enables the ongoing performance of the portfolio to be separated from non-recurring events and provides a reliable guide to future performance. This is valuable because of the group's rapid expansion over the past five years.



Directors' Report

The directors present their report with the audited consolidated financial statements for the year ended 30 April 2020.

Dividends

The directors declared interim dividends for the year ended 30 April 2020 as follows:
On 25 October 2019, an interim dividend of 0.83p per ordinary share of 25p. This was paid on 22 November 2019.
The comparable information for the year ended 30 April 2019 was as follows:
On 22 October 2018, an interim dividend of 0.83p per ordinary share of 25p. This was paid on 9 November 2018.
On 15 April 2019, an interim dividend of 0.83p per ordinary share of 25p. This was paid on 2 May 2019.
On 4 July 2019, an interim dividend of 0.84p per ordinary share of 25p. This was paid on 26 July 2019.

Directors

The following directors have held office since 1 May 2019:

Keith Pankhurst	Ismail Ghandour
Mark Thomas	Ivan Minter
Dr Tony Ghorayeb	Kayssar Ghorayeb
Hikmat El-Rousstom	

Going concern

The directors can report that, based on the Group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The board has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore the accounts are prepared on a going concern basis.

Auditors

Jeffreys Henry LLP has expressed its willingness to continue in office and a resolution to re-appoint it will be proposed at the forthcoming Annual General Meeting.

Post balance sheet events

On 26 June 2020, the Company repaid £300,000 of 5% Convertible Loan Notes, leaving a balance of £575,000 outstanding.

On 2 July 2020, the Company exchanged contracts for the irrevocable purchase of 78/82 English Street and 49/53 Blackfriar Street, Carlisle at a price of £1,710,000 with completion by 7 December 2020. The main tenant is Clydesdale Bank plc with a rent of £120,000 p.a.

On 26 August 2020, the Company completed the purchase of 16-17 Westborough, Scarborough, North Yorkshire for £1,430,000 with a secured loan of £625,000 from Coutts & Co. The tenant is Skipton Building Society with a passing rent of £131,000 p.a.

Future developments

This information has not been included in the Directors' Report because it is shown in the Strategic Report as permitted by section 414C (11) of the Companies Act.

Companies Act S.172

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

• the likely consequences of any decision in the long term. The Group's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the strategic report and the key performance indicators.

• the interests of the Company's employees. Our employees are fundamental to us achieving our long-term strategic objectives.

• the impact of the Company's operations on the community and the environment. The Group operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can minimise this.

• the desirability of the Company maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance. Not only is this covered in our Corporate Governance Statement on page 5, but is also epitomised in our risk management objectives and policies in note 23.2.

• the need to act fairly as between members of the Company. Our intention is to behave responsibly towards our shareholders and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law and the rules of AQUIS to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS101 'Reduced Disclosure Framework'.

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

Directors' Report (continued)

In preparing the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU and for the Company financial statements state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Ace Liberty & Stone plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation other jurisdictions.

Statement of disclosure to auditor

The directors who were in office at the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' Report was approved by the Board on 2 October 2020 and signed on its behalf by:

Ivan Minter
Director

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc

Opinion

We have audited the financial statements of Ace Liberty & Stone Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2020 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated statement of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 group's or the parent 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) we identified, 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 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
Valuation of investment property The value of investment properties is key to the Group as they impact upon the Group's compliance with loan covenants. Investment properties are held at fair value which represents a significant area of management judgement.	We reviewed the recognition, capitalisation and fair valuation of investment properties in conjunction with IAS 40 Investment Property and IFRS 13 Fair Value Measurement. We assessed the competence, capabilities, qualifications and objectivity of the external independent valuers employed by the Group. We have critically evaluated management's methodologies in reviewing valuations and their adjustments of the fair values of investment properties including the impact of Brexit and the current COVID 19 pandemic on the long term value of the properties. We consider the value of investment properties used in the accounts to be reasonable.
Convertible loan notes During the period, the Company had convertible loan notes in issue. We have identified the valuation and accounting treatment of convertible loans as a key audit matter because both are complex areas and require the use of estimates. The separation of the debt element from the equity element of a convertible loan involves a significant degree of judgement and is therefore subject to an inherent risk of error.	We inspected board minutes and other appropriate documentation to confirm that the transactions were appropriately authorised. We verified amounts, interest rates and maturities to the supporting documentation and examined the terms and conditions of the loan notes. We reviewed the reasonableness of the market rate of interest used in calculating the effective interest charge. We tested and reperformed the calculations carried out to split the convertible loans into equity and debt elements. We consider the accounting for this and the final balance of the convertible loan notes to be reasonable.

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc (continued)

Our application of 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 judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£250,000 (2019: £215,000).	£172,000 (2019: £175,000).
How we determined it	1% of net assets limited to £250,000 to avoid undertesting	1% of net assets limited by Group materiality
Rationale for benchmark applied	We believe that net assets are the primary measures used by shareholders in assessing the Group's performance. It is considered a standard industry benchmark.	We believe that net assets are the primary measures used by shareholders in assessing the Company's performance. It is considered a standard industry benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1,000 and £172,000.
We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £12,500 for the Group (2019: £10,750) and £8,600 (2019: £8,750) for the Company, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of 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 judgments, 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.

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 Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of twenty reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of Ace Liberty & Stone Plc, Ace (Manchester) Limited, Ace (Leeds) Limited, Ace (Hulme) Limited, Hilcott (Overseas) Limited, Ace (Sunderland) Limited, Ace (Dudley) Limited, Ace (Barnsley) Limited, Ace (Gateshead) Limited, Ace (Chelsea) Limited, Ace (Plymouth) Limited, Ace (Hanley) Limited, Ace (Management) Limited, Ace (Luton) Limited, Ace (Keighley) Limited, Ace (North) Limited and Ace (EBT) Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 85% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over certain account balances and transaction classes that we regarded to be material to the Group at one reporting unit, based in The British Virgin Islands.

The Group engagement team performed all audit procedures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London EC1V 9EE

Date 2 October 2020

Consolidated Statement of Comprehensive Income for the year ended 30 April 2020

	Notes	2020 £	2019 £
Revenue	4	6,391,897	*5,072,435*
(Loss) / gain on disposal of investment property		(13,026)	*284,138*
Administrative expenses	5	(1,805,592)	*(1,827,857)*
Fair value (loss) / gain on investment property		(500,000)	*1,247,371*
Fair value loss on assets held for sale		(300,000)	*(320,079)*
Lease breakage fee	4	173,375	-
Finance cost	6	(3,972,244)	*(3,354,830)*
Finance income	7	34,842	*5,511*
Share based payment charge		-	*(347,726)*
Profit before taxation	8	**9,252**	*758,963*
Taxation	11	111,113	*6,754*
Profit after taxation		**120,365**	*765,717*
Other comprehensive income – release of equity proportion of CLNs	20	341,604	*48,845*
Total comprehensive income for the period		**461,969**	*814,562*
Attributable to:			
Owners of the parent		**461,969**	*814,562*
Earnings per share on continuing activities		**Pence**	**Pence**
Basic earnings per share attributable to equity owners of the parent	12	0.97	*1.97*
Diluted earnings per share attributable to equity owners of the parent	12	0.75	*1.15*

Consolidated and Company Statement of Financial Position at 30 April 2020

		Group		Company	
		2020	2019	2020	2019
ASSETS	*Notes*	£	£	£	£
Non-current assets					
Investment property	13	76,888,096	*79,538,096*	-	*-*
Investments	14	-	*-*	1,793,965	*1,793,965*
Other receivables	16	-	*-*	52,100,000	*52,100,000*
Deferred tax	11	7,054	*-*	-	*-*
		76,895,150	*79,538,096*	53,893,965	*53,893,965*
Current assets					
Assets held for sale	15	10,429,921	*8,784,921*	-	*-*
Trade and other receivables	16	789,256	*510,490*	12,423,089	*12,190,957*
Cash and cash equivalents		7,432,958	*1,956,742*	7,338,851	*1,336,406*
		18,652,135	*11,252,153*	19,761,940	*13,527,363*
TOTAL ASSETS		**95,547,285**	*90,790,249*	**73,655,905**	*67,421,328*
EQUITY AND LIABILITIES					
Current liabilities					
Liabilities relating to assets held for sale	17	1,350,625	*1,440,125*	-	*-*
Trade and other payables	18	5,536,009	*4,833,381*	4,013,403	*3,029,945*
Taxation		100,121	*96,681*	8,652	*5,212*
Borrowings	19	2,668,972	*15,921,701*	2,318,722	*15,221,201*
		9,655,727	*22,291,888*	6,340,777	*18,256,358*
Non-current liabilities					
Borrowings	19	54,244,301	*47,212,143*	35,412,138	*28,098,490*
Deferred tax	11	-	*116,188*	-	*-*
		54,244,301	*47,328,331*	35,412,138	*28,098,490*
Share capital	21	14,626,463	*10,608,342*	14,626,463	*10,608,342*
Share premium		16,773,712	*9,099,025*	16,773,712	*9,099,025*
Share option reserve		-	*826,906*	-	*826,906*
Other reserve		211,185	*341,603*	211,185	*341,603*
Treasury shares	22	(480,620)	*(480,620)*	-	*-*
Retained earnings		516,517	*774,774*	291,630	*190,604*
Total equity		31,647,257	*21,170,030*	31,902,990	*21,066,480*
TOTAL EQUITY AND		**95,547,285**	*90,790,249*	**73,655,905**	*67,421,328*

The financial statements were approved and authorised for issue by the Board on 2 October 2020 and signed on its behalf by:

Ivan Minter
Director
Company Registration number: 06223892

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Share option reserve £	Other reserve £	Treasury shares £	Retained earnings £	Total equity £
Balance at 30 April 2018	*10,065,887*	*7,643,310*	*479,180*	*579,548*	*(480,620)*	*1,152,030*	*19,439,335*
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	*765,717*	*765,717*
Other comprehensive income (note 20)	-	-	-	-	-	*48,845*	*48,845*
	-	-	-	-	-	*814,562*	*814,562*
Transactions with owners							
Shares issued during the year	*542,455*	*1,455,715*	-	-	-	-	*1,998,170*
Value of conversion rights on convertible notes	-	-	-	*(237,945)*	-	-	*(237,945)*
Share based payment costs	-	-	*347,726*	-	-	-	*347,726*
Dividend on ordinary shares	-	-	-	-	-	*(1,191,818)*	*(1,191,818)*
	542,455	*1,455,715*	*347,726*	*(237,945)*	-	*(1,191,818)*	*916,133*
Balance at 30 April 2019	*10,608,342*	*9,099,025*	*826,906*	*341,603*	*(480,620)*	*774,774*	*21,170,030*
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	120,365	120,365
Other comprehensive income (note20)	-	-	-	-	-	341,604	341,604
	-	-	-	-	-	461,969	461,969
Transactions with owners							
Shares issued during the year	4,018,121	6,847,781	-	-	-	-	10,865,902
Value of conversion rights on convertible notes	-	-	-	(130,418)	-	-	(130,418)
Exercise of options	-	826,906	(826,906)	-	-	-	-
Dividend on ordinary shares	-	-	-	-	-	(720,226)	(720,226)
	4,018,121	7,674,687	(826,906)	(130,418)	-	(720,226)	10,015,258
Balance at 30 April 2020	**14,626,463**	**16,773,712**	**-**	**211,185**	**(480,620)**	**516,517**	**31,647,257**

Company Statement of Changes in Equity

	Share capital	Share premium	Share option reserve	Other reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance at 30 April 2018	*10,065,887*	*7,643,310*	*479,180*	*579,548*	*722,837*	*18,490,762*
Total comprehensive income for the year						
Loss for the year	-	-	-	-	*(574,692)*	*(574,692)*
Other comprehensive income (note 20)	-	-	-	-	*48,845*	*48,845*
Dividends from subsidiaries	-	-	-	-	*1,195,000*	*1,195,000*
	-	-	-	-	*669,153*	*669,153*
Transactions with owners						
Shares issued during the year	*542,455*	*1,455,715*	-	-	-	*1,998,170*
Value of conversion rights on convertible notes	-	-	-	*(237,945)*	-	*(237,945)*
Share based payment costs	-	-	*347,726*	-	-	*347,726*
Dividend on ordinary shares	-	-	-	-	*(1,201,386)*	*(1,201,386)*
	244,370	*510,508*	-	*579,548*	*(389,121)*	*945,305*
Balance at 30 April 2019	*10,608,342*	*9,099,025*	*826,906*	*341,603*	*190,604*	*21,066,480*
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(763,952)	(763,952)
Other comprehensive income (note 20)	-	-	-	-	341,604	341,604
Dividends from subsidiaries	-	-	-	-	1,255,000	1,255,000
	-	-	-	-	832,752	832,752
Transactions with owners						
Shares issued during the year	4,018,121	6,847,781	-	-	-	10,865,902
Value of conversion rights on convertible notes	-	-	-	(130,418)	-	(130,418)
Exercise of options	-	826,906	(826,906)	-	-	-
Dividend on ordinary shares	-	-	-	-	(731,726)	(731,726)
	4,018,121	7,674,687	(826,906)	(130,418)	(731,726)	10,003,758
	14,626,463	**16,773,712**	**-**	**211,185**	**291,630**	**31,902,990**

Consolidated Statement of Cash Flows

	2020	2019
	£	£
Profit before tax	9,252	*758,963*
Cash flow from operating activities		
Adjustments for:		
Finance income	(34,842)	*(5,511)*
Finance costs	3,972,244	*3,354,830*
Gain on disposal of investment property	13,026	*(284,138)*
Fair value adjustment	800,000	*(927,292)*
Decrease / (Increase) in receivables	(278,766)	*423,989*
Increase in payables	702,627	*1,558,525*
Tax paid	(8,809)	*(156,977)*
Interest paid	(2,547,166)	*(1,459,868)*
Other finance costs paid	(745,631)	*(356,562)*
Share based payment charge	-	*347,726*
Net cash generated by operating activities	1,881,935	*3,253,685*
Cash flows from investing activities		
Interest received	34,842	*5,511*
Purchase of investment properties	-	*(32,952,499)*
Sale of investment properties	205,000	*4,063,138*
Net cash generated / (used) by investing activities	239,842	*(28,883,850)*
Cash flows from financing activities		
Share issue, net of issue costs	6,104,665	-
Long term loans advanced	-	*23,415,375*
Long term loans repaid	(1,480,000)	*(690,000)*
Short term loans advanced	-	*1,440,125*
Short term loans repaid	(550,000)	*(665,705)*
Equity dividend paid	(720,226)	*(1,093,113)*
Net cash generated by financing activities	3,354,439	*22,406,682*
Net increase / (decrease) in cash and cash equivalents	**5,476,216**	*(3,223,483)*
Cash and cash equivalents at the beginning of the period	1,956,742	*5,180,225*
Cash and cash equivalents at the end of the period	**7,432,958**	*1,956,742*

Notes to the Consolidated Financial Statements

1 General information

Ace Liberty & Stone Plc (the "Company") is a company that is incorporated in England and Wales whose shares are listed on the AQUIS (formerly NEX) stock exchange in the United Kingdom. The Group's principal activity is that of property investment.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not produced the Company's individual profit and loss account. Company profit after taxation is £491,148 *(2019: £620,308).*

2 Basis of presentation and significant accounting policies

The principal accounting policies applied in the preparation of the Group and parent Company's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union (EU) and issued by the International Accounting Standards Board (IASB). The consolidated financial statements are presented in Sterling, the Group and parent Company's functional currency. The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies.

IFRS requires management to make certain critical accounting estimates and to exercise judgement in the process of applying the group's accounting policies. These estimates are based on the directors' extensive knowledge and past experience derived from their professional property activities and supported by independent professional advice.

The financial statements for the Company have been prepared in accordance with Financial Reporting Standard 101 by applying the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), amended where necessary in order to comply with Companies Act 2006. The Company has notified shareholders of this disclosure.

Compliance with FRS 101

In compliance with FRS 101, the Company has applied International Financial Reporting Standard 1 'First Time Adoption of International Financial Reporting Standards' (IFRS 1) subject to the exemptions available under FRS 101 and listed below.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of Group settled share based payments;
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

There were no changes required to accounting policies and no effect on the comparative period following the transition to FRS101.

2.2 Standards, amendments and interpretations to published standards

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning that would be expected to have a material impact on the Group. The new IFRSs adopted during the year are as follows:

- IFRS 16 – Leases
- IAS 19 – Employee Benefits (amendment)

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 April 2019 and have not been early adopted. The Directors anticipate that the adoption of these standard and the interpretations in future periods will have no material impact on the financial statements of the Group.

The new standards include:

IFRS 3	Business Combinations1
IFRS 17	Insurance Contracts2
IAS 1	Presentation of Financial Statements1
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors1

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 January 2021

Notes to the Consolidated Financial Statements (continued)

2.3 Basis of consolidation

Subsidiaries

The financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to the year ended 30 April 2020. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit or loss in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the non-controlling interest in excess of the non-controlling interest's share of the net assets of the relevant subsidiary are allocated against the interests of the parent in the net assets of the relevant subsidiary.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income, expenses and unrealised gains are eliminated when preparing the financial information. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in pounds sterling which is the presentation currency for the consolidated and company financial statements. The functional currency of the Company is pounds sterling.

2.5 Cash and Cash Equivalents

These include cash in hand and deposits held at call with banks.

2.6 Key accounting estimates and judgements

The preparation of consolidated financial statements under IFRS requires management to make estimates and assumptions that may affect the application of accounting policies and the reported assets and liabilities, income and expenses. Although management believes that the assumptions and estimates are reasonable, the actual results may differ from the estimates.

The most significant estimates made in preparing these accounts relate to the valuation of the Group's investment properties. The fair value of the investment property is determined by the directors with reference to independent property valuation experts to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards January 2014 ("the Red Book"). Factors reflected include current market conditions, annual rentals, lease length and location.

2.7 Taxation

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date.

2.8 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on difference tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Consolidated Financial Statements (continued)

2.9 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in relation to the proceeds of property rental. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group. Revenue is recognised straight line over the term of the lease contract on an accruals basis. Lease incentives granted are recognised as an integral part of rental income. The directors consider this in line with when the Company's performance obligation is satisfied. Standard payment terms are that invoices are paid within 1 month of issue.

The Group's properties are all let on Full Repairing and Insuring terms, making the tenant liable for all repairs and servicing. Where a property has multiple tenants, the appropriate subsidiary company acts as agent for the tenants in settlement of such costs. The Group bears the costs of vacant premises when this arises.

The directors consider that revenue generation is relates exclusively to rental income in the UK and so no further segmentation is required.

2.10 Finance income and cost

Finance income
Finance income includes interest income from bank deposits and, in respect of the Company only, interest charged on amounts due from subsidiaries.

Finance cost
Finance cost is recognised as interest accrued, using the effective interest method, on the net carrying amount of the financial liability and the appropriate amount of borrowing arrangement costs written off over the period of the loan applicable to the period .

2.11 Investment property

Investment properties are properties held for long-term rental yields. Investment properties are carried in the balance sheet at fair value, representing open market value determined annually by directors or independent valuation, completed by a recognised firm of Chartered Surveyors. Gains or losses arising from changes in fair value of investment property are included in the income statement for the period in which they arise.

Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of sale.

2.12 Borrowings

Borrowings other than bank overdrafts are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of comprehensive income over the period of the borrowings, using the effective interest method. The costs of arranging each loan is written off over the period of the loan up to a maximum period of five years. The unamortised balance is shown against the relevant borrowing at the balance sheet date.

2.13 Convertible Loans

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.14 Share based payments

The Company has applied the requirements of IFRS 2 Share Based Payment. For all grants of share options, the fair value as at the date of grant is calculated using an option pricing model and the corresponding expense is recognised over the vesting period. The share based payments expense is recognised as a staff cost shown separately in the income statement and the associated credit entry is made directly to reserves.

Shares issued in payment for services where the cost of service can be reliably measured (i.e. for the settlement of third party invoices) are issued at the fair value of the service received. Where shares have been issued to acquire assets, the shares are valued with reference to the fair value of the assets acquired.

Notes to the Consolidated Financial Statements (continued)

2.15 Financial instruments

Financial assets and financial liabilities are initially classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows expire, or the Company no longer retains the significant risks or rewards of ownership of the financial asset. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Financial assets are classified dependent on the Company's business model for managing the financial and the cash flow characteristics of the asset. Financial liabilities are classified and measured at amortised cost except for trading liabilities, or where designated at original recognition to achieve more relevant presentation. The Company classifies its financial assets and liabilities into the following categories:

Financial assets at amortised cost
The Company's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Impairment of trade and other receivables
In accordance with IFRS 9 an expected loss provisioning model is used to calculate an impairment provision. We have implemented the IFRS 9 simplified approach to measuring expected credit losses arising from trade and other receivables, being a lifetime expected credit loss. This is calculated based on an evaluation of our historic experience plus an adjustment based on our judgement of whether this historic experience is likely reflective of our view of the future at the balance sheet date. In the previous year the incurred loss model is used to calculate the impairment provision.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise loan liabilities, including convertible loan note liability elements, and trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method. All convertible loan notes are held at amortised cost and no election has been made to hold them as fair value through profit and loss.

Financial assets at fair value through profit and loss
Financial assets at fair value are recognized and measured at fair value using the most recent available market price with gains and losses recognized immediately in the profit and loss.

The fair value measurement of the Company's financial and non- financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy').

Level 1 – Quoted prices in active markets
Level 2 – Observable direct or indirect inputs other than Level 1 inputs
Level 3 – Inputs that are not based on observable market data

2.16 Leases

Prior to 1 January 2019, leases in which a significant proportion of the risks and rewards are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Finance leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Since 1 January 2019, assets held under leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Exemptions are applied for short life leases and low value assets made under operating leases charged to the statement of comprehensive income on a straight line basis over the period of the lease.

The only leased asset held by the Group is Bridge House, Dudley, which is held on a long lease at a peppercorn rent. This is included in the statement of financial position under assets held for sale and valued at open market value.

Notes to the Consolidated Financial Statements (continued)

3 Going concern

In the opinion of the directors, based on the Group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore the accounts are prepared on a going concern basis.

4 Revenue

	Group	
	2020	**2019**
Revenue comprises the following	**£**	**£**
Rental income	6,391,897	*5,072,435*
The Group's aggregate minimum future lease receipts at current annual rents are as follows:		
Up to one year	6,285,659	*6,407,952*
More than one year but less than five years	19,708,341	*21,279,000*
More than five years	20,484,707	*24,868,988*
	46,478,707	*52,555,940*

All revenue arises from the Group's UK operations, net of VAT.

The Company interprets IFRS 8.34 to mean that revenue derived from separate UK Government Departments should be considered as deriving from one customer. This comprises 53% *(2019: 52%)* of the Group's income at the date of this report. City councils represent 5% *(2019: 7%)* and major industrial and commercial companies represent 39% *(2019: 38%)*. The Group's income derives overwhelmingly from the ownership of commercial properties in the United Kingdom and the directors manage and report upon activity as one segment.

During the year one of the Group's tenants exercised its right to break under the terms of the lease and paid the pre-determined fee.

	Group	
	2020	**2019**
5 Administrative expenses	**£**	**£**
Directors' fees	449,000	*407,692*
Directors' National Insurance	340,931	*48,664*
Operating expenses of investment properties	107,216	*180,488*
Legal and professional fees	352,561	*328,473*
Other costs	545,884	*862,540*
	1,805,592	*1,827,857*

Other costs include £38,000 *(2019:£38,000)* for lease costs exempt from capitalisation as they are considered short term leases and the comparative figure for operating expenses of investment companies includes £1,576 for lease costs dealt with under the exemption for low value leases.

6 Finance cost

Bank interest	1,794,056	*1,445,218*
Convertible loan interest	1,430,281	*1,050,314*
Other loan interest	2,276	*2,123*
Other finance costs	745,631	*857,175*
	3,972,244	*3,354,830*

7 Finance income

Bank and other interest	34,842	*5,511*

8 Profit before tax

Profit before tax is stated after charging / (crediting) the following:		
Operating lease rentals – land and buildings	38,000	*39,576*
Auditors' remuneration:		
Audit of parent and consolidation	36,000	*30,000*
Audit of subsidiaries	12,000	*14,000*
Other services – tax compliance	15,010	*12,225*
Total fees payable to the auditor	63,010	*56,225*

Notes to the Consolidated Financial Statements (continued)

9. Staff Costs

During the year the Company employed one employee *(2019: one)* who worked in a clerical capacity for the year.

Salary	37,233	*36,667*
Pension	509	*592*
Social security costs	3,762	*12,225*
	41,504	*41,117*

10 Directors' remuneration

	Group and Company	
	2020	**2019**
Director's fee	**£**	**£**
Keith Pankhurst	10,000	*8,923*
Ismail Ghandour	211,000	*195,000*
Mark Thomas	10,000	*8,923*
Ivan Minter	159,000	*143,000*
Dr Tony Ghorayeb	35,000	*29,897*
Kayssar Ghorayeb	12,000	*11,641*
Hikmat El-Rousstom	12,000	*10,308*
	449,000	*407,692*

The directors exercised all their share options during the year.

11 Taxation

	Group	
	2020	**2019**
	£	**£**
Current year tax		
UK corporation tax	12,128	*91,560*
Adjustment in respect of previous periods	-	*-*
	12,128	*91,560*
Deferred tax		
Origination and reversal of timing differences	(123,241)	*(98,314)*
Total tax charge for period	(111,113)	*(6,754)*

Reconciliation of current tax charge		
Profit on ordinary activities before tax	9,252	*758,963*
Tax on profit on ordinary activities at 19% *(2019:19.00%)*	1,758	*144,203*
Effects of:		
Expenditure / (income) not deductible for tax purposes / taxable	(167,695)	*(37,477)*
Relief for share options exercised	(664,246)	*-*
Utilisation of unrecognised losses brought forward	-	*(198,238)*
Other timing differences	(11,741)	*23,932*
Timing difference on property valuations	60,866	*159,140*
Corporate interest restriction	367,932	*-*
Losses carried forward	402,756	*-*
	12,128	*91,560*

Movement on deferred tax		
Balance at 1 May 2018	116,188	*214,502*
Charge for the period	(123,242)	*(98,314)*
Balance at 30 April 2019	(7,054)	*116,188*

A potential deferred tax asset of approximately £193,263 *(2019: £193,263)* has not been recognized in the financial statements on the grounds of the uncertainty over its recoverability in the foreseeable future. The deferred tax arises due to other timing differences carried forward of £1,017,173 *(2019: £1,017,173).*

	Group	
	2020	**2019**
Deferred tax liability	**£**	**£**
The deferred tax liability comprises the following:		
Other short term timing differences	(7,054)	*116,188*
	(7,054)	*116,188*

Notes to the Consolidated Financial Statements (continued)

12 Earnings per share

The calculations of earnings per share are based on the following earnings and numbers of shares.

	Group 2020	Group 2019
	£	£
Profit for the period attributable to equity owners	461,969	*814,562*
	No. of shares of 25p	No. of shares of 25p
Weighted average number of shares		
For basic earnings per share	47,609,342	*41,245,673*
Dilutive effect of share options	14,312,252	*29,837,805*
For diluted earnings per share	61,921,594	*71,083,478*
Earnings per share	pence	pence
Basic	0.97	*1.97*
Diluted	0.75	*1.15*
	£	£
Dividends declared during the year – per share of 25p	0.025	*0.01*
Dividends declared during the year – total	731,725	*1,196,786*

13 Investment property

	Group 2020	Group 2019
	£	£
Valuation at 1 May 2019	79,538,096	*50,487,866*
Purchases during the year at cost	-	*32,952,499*
Sales during the year at valuation	-	*(50,000)*
Transfer to assets held for sale	(2,150,000)	*(5,100,000)*
Fair value (loss) / gain	(500,000)	*1,247,731*
Valuation at 30 April 2020	76,888,096	*79,538,096*

The Group's investment properties have been recognised at fair value. The directors, who are qualified and experienced in property valuation, continuously monitor the values of properties held by group companies by comparison with other properties on the open market, and record the changes in fair value. External valuations are performed by valuers selected by the directors based upon their knowledge, independence and reputation for valuing assets such as those held by the Group. All properties owned by the group at 30 April 2020 have been valued by Bowcliffe Limited, Chartered Surveyors. Two executive directors, one of whom is a Chartered Surveyor, are qualified to assess the valuation of properties by reason of their career experience. The remaining directors have considerable corporate management experience and are competent to challenge issues both within and outside their specific professional qualifications.

The methods of fair value measurement are classified into a hierarchy based on the reliability of the information used to determine the valuation as follows:

- Level 1: valuation based on inputs on quoted market prices in active markets.
- Level 2: valuation based on inputs other than quoted market prices included in level 1 that maximise the use of observable data directly or from market prices or indirectly from derived market prices.
- Level 3: where one or more inputs to valuations are not based on observable data.

Class of property		Valuation technique	Fair value
			£
Freehold - external valuation	Level 2	Market value	76,888,096

The directors believe that the open market value of the investment properties as at 30 April 2020 is £76,888,096 *(2019: £79,538,096)*. Market value is considered by the directors to be the expected cash proceeds on disposal of the properties on an arms-length basis.
The historical cost of investment properties held by the Group is £78,547,221. *(2019: £78,547,221)*.

Notes to the Consolidated Financial Statements (continued)

14 Investments

	Company 2020	Company 2019
	£	£
Cost at 1 May 2019	1,793,965	*1,863,965*
Impairment of investment in Silverdale worldwide Limited	-	*70,000*
Cost at 30 April 2020	1,793,965	*1,793,965*

Holdings of more than 20%

The Company holds more than 20% of the share capital of the following companies:

Subsidiary Undertaking	Nature of business	Country of registration or incorporation	Shares Held	
Ace (Barnsley) Limited	Investment	England and Wales	Ordinary	100
Ace (Chelsea) Limited	Investment	England and Wales	Ordinary	100
Ace (Dudley) Limited	Investment	England and Wales	Ordinary	100
Ace (EBT) Limited	Trustee	England and Wales	Ordinary	100
Ace (Gateshead) Limited	Investment	England and Wales	Ordinary	100
Ace (Hanley) Limited	Investment	England and Wales	Ordinary	100
Ace (Hulme) Limited	Investment	England and Wales	Ordinary	100
Ace (Keighley) Limited	Investment	England and Wales	Ordinary	100
Ace (Leeds) Limited	Investment	England and Wales	Ordinary	100
Ace (Luton) Limited	Investment	England and Wales	Ordinary	100
Ace (Management) Limited	Investment	England and Wales	Ordinary	100
Ace (Manchester) Limited	Investment	England and Wales	Ordinary	100
Ace (North) Limited	Investment	England and Wales	Ordinary	100
Ace (Plymouth) Limited	Investment	England and Wales	Ordinary	100
Ace (Sunderland) Limited	Investment	England and Wales	Ordinary	100
Hilcott Overseas Limited	Investment	England and Wales	Ordinary	100
Lantana Properties Limited (Sub of Luton)	Investment	BVI	Ordinary	1
Radcliff Property Limited	Investment	Anguilla	Ordinary	100
Silverdale Limited	Investment	BVI	Ordinary	100

The principal place of business for all subsidiaries is the United Kingdom.

15 Assets held for sale

	Group	
	£	£
Fair value at 1 May 2019	8,784,921	*7,734,000*
Transfer from investment property	2,150,000	*5,100,000*
Sale during the year	(205,000)	*(3,729,000)*
Overall fair value loss	(300,000)	*(320,079)*
Fair value at 30 April 2020	10,429,921	*8,784,921*
This consists of:		
Hillcrest House, Leeds	2,300,000	-
Oscar Court, London SW3	2,300,000	*2,500,000*
Willow House, Aldershot	1,050,000	*1,300,000*
Residential portfolio Barnsley	-	*205,000*
Bridge House, Dudley	4,779,921	*4,779,921*
	10,429,921	*8,784,921*

Oscar Court was purchased partly by the issue of ordinary shares in the Company with the intention of re-selling. Willow House, Aldershot, has potential for development and was purchased for re-sale. The residential portfolio in Barnsley was purchased in 1 October 2014 by issue of shares. Agreement has been reached for the sale of Bridge House Dudley with completion on 9 April 2021.

Notes to the Consolidated Financial Statements (continued)

16 Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade receivables	401,756	144,306	-	-
Other receivables	35,855	24,830	18,225	-
Amounts due from subsidiary companies	-	-	64,479,856	64,257,182
Prepayments and accrued income	338,645	341,354	25,008	33,775
	789,256	510,490	64,523,089	64,290,957
Current	789,256	510,490	12,423,089	12,190,957
Non-current	-	-	52,100,000	52,100,000
	789,256	510,490	64,523,089	64,290,957

The directors consider that the carrying amount of financial assets approximates to their fair value

17 Liabilities relating to Assets held for sale

	Group	
	2020	2019
	£	£
Secured loan on Flat G, Oscar Court	1,350,625	1,440,125

The liabilities held for sale are secured on the properties to which they relate and will be repaid once the assets are disposed of. The liability bears interest at 3.5% . Hume House, Leeds and Bridge House, Dudley have been charged as security for a loan granted by Lloyds bank plc to the parent Company.

18 Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade payables	132,480	141,336	1	1
Taxation and social security	1,501,221	179,954	1,308,817	10,935
Other payables	2,908,319	2,459,209	607	99,025
Amounts due to subsidiary companies	-	-	2,617,222	2,618,192
Accruals and deferred income	993,989	2,052,882	86,756	301,793
	5,536,009	4,833,381	4,013,403	3,029,945
Current	5,536,009	4,833,381	4,013,403	3,029,945
Non-current	-	-	-	-
	5,536,009	4,833,381	4,013,403	3,029,945

All of these liabilities are held at amortised cost. The directors consider that the carrying amount of financial liabilities approximates their fair value.

19 Borrowings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Other loans	11,993,793	17,186,604	11,993,793	17,186,604
Bank loans	44,919,480	45,947,240	25,737,067	26,133,087
	56,913,273	63,133,844	37,760,860	43,319,691
Current	2,668,972	15,921,701	2,318,722	15,221,201
Non-current	54,244,301	47,212,143	35,412,138	28,098,490
	56,913,273	63,133,844	37,760,860	43,319,691

All of these liabilities are held at amortised cost. The directors consider that the carrying amount of financial liabilities approximates their fair value.

Notes to the Consolidated Financial Statements (continued)

19 Borrowings (continued)

Details of security and interest rates

On 17 November 2016 the Company drew down a loan of £13,751,800 from Lloyds Bank plc secured on the investment properties owned by its subsidiaries Ace (Plymouth) Limited, Ace (Gateshead) Limited, Ace (Sunderland) Limited, Ace (Dudley) Limited, Ace (Leeds) Limited and Ace (Hanley) Limited. On 11 April 2017 the Company drew down an advance of £2,320,000 secured on the property acquired on that date by its subsidiary Ace (Manchester) Limited. These advances carried an interest rate of 2.85% above LIBOR.
The Company drew down the following advances at an interest rate of LIBOR +2.70%:
13 October 2017 an advance of £6,264,000 secured on the properties acquired on that date by Ace (Management) Limited;
14 February 2018 an advance of £2,407,000 secured on the further property acquired on that date by Ace (Management) Limited; and
6 March 2018 an advance of £2,755,000 secured on the property acquired on that date by Ace (Keighley) Limited.
The loan was for a term of five years repayable in quarterly amounts of £172,500 and a final repayment on 17 November 2021.

On 31 May 2018, the Company's subsidiary, Ace (North) Limited, drew down a loan of £2,795,000 from Coutts & Co secured on that Company's Leicester property. The loan was for a term of five years at an interest rate of LIBOR plus 3% and was guaranteed by the Company's parent. On 27 June 2018 a further loan of 4,061,000 was drawn down for the purchase of two further properties on the same terms. Capital repayments for the two loans amounted to £600,000 p.a. Further loans to finance further acquisitions were drawn down on 15 November 2018 for £2,600,000, on 17 January 2019 for £2,359,500, and on 20 February 2019 for £1,651,000, all on the same terms. On 30 April 2019 these loans were consolidated into one loan of £13,611,000 repayable by quarterly instalments of £125,000 with final repayment on 30 April 2024. The rate of interest was LIBOR plus 2.75% and the loan was secured on the company's properties with a guarantee from its parent.

On 30 April 2018 the Company's subsidiary, Ace (North) Limited, drew down a loan of £6,516,250 from Coutts & Co on the same terms for the purchase of two further properties. The loan is repayable by quarterly repayments of £40,125 with full repayment on 30 April 2024.

On 28 June 2017 the Company issued an unsecured convertible loan note for £10,000,000 carrying an interest rate of 6% with an option to convert into ordinary shares of 25p at a price of £0.7125 within two years of issue. The holder also has an option to purchase properties owned by the Group at an agreed price. On 28 June 2019 the loan was rolled over for a further two years on the same terms.

On 25 January 2018 the Company issued a convertible loan note for £5,263,700 carrying an interest rate of 5% with an option to convert into ordinary shares of 25p at a price of £1.00 within two years of issue. By 30 April 2020, holders of CLNs to a value of £1,638,700 had converted their holdings into ordinary shares of 25p and holders of a further £2,750,000 had been repaid. For the benefit of holders who had not exercised their rights by the maturity date of 31 December 2019, the holdings at that date were rolled over on the same terms. On 30 April 2020 CLNs to a value of £875,000 remained outstanding. These notes were unsecured.

On 26 April 2019 and 3 June 2019, the Company drew down loans from nine of its shareholders to a total value of £3,200,000. The loans carry an interest rate of 7% and have a term of two years. The loans are unsecured. On 25 April 2020, the holders of loans totalling £2,200,000 accepted an offer from the Company to convert their loans into ordinary shares at a price of 50p per share. At 30 April 2020 loans to a value of £1,000,000 were still outstanding

20 Convertible Loan Notes

The Company issued 10,000,000 6% convertible notes for £10,000,000 on 28 June 2017. The notes are convertible into ordinary shares of the Company, at the option of the holder at any time, or repayable on 28 June 2019. The conversion rate is 1 share for each note held at a price of 71.25p. On 28 June 2019 the renewal of the instrument was agreed at the same interest rate for a further two year period ending on 28 June 2021.

The Company also issued £5,263,700 5% convertible notes on 25 January 2018. The notes are convertible into ordinary shares of the Company, at the option of the holder at any time, or repayable on 31 December 2019. The conversion rate is 1 share for each note held at a price of £1. £3,210,000 of the issue has been redeemed in the year.

The convertible notes are presented in the balance sheet as follows:

	Group and Company	
	2020	**2019**
	£	**£**
Face value of the convertible loan notes in issue as at the year end	10,875,000	*14,085,000*
Equity element	(211,186)	*(341,604)*
Liability component on initial recognition	10,663,814	*13,743,396*
Liability component at the start of the period	14,531,200	*13,931,907*
Issue of convertible loan notes	10,663,814	-
Interest charged at effective interest rate	932,826	*1,194,575*
Interest paid/redemption	(14,989,452)	*(1,296,570)*
Finance cost capitalised	(350,000)	*(21,500)*
Finance cost expensed in year	361,239	*678,105*
Change in estimate	-	*44,683*
Liability component at the end of the period	11,149,717	*14,531,200*

Notes to the Consolidated Financial Statements (continued)

20 Convertible Loan Notes (continued)

Other comprehensive income

	Group and Company	
	2020	**2019**
	£	**£**
This represents the release of equity previously recognised under IFRS in respect of the initial accounting of the Convertible Loan Notes issued by the Company due to the expiry or repayment of the securities.	341,604	*48,843*

21 Share capital

58,505,850 *(2019: 42,433,368)* ordinary shares of £0.25 each	14,626,463	*10,608,342*
	Shares of 25p	*Shares of 25p*
Shares in issue at 1 May 2019	42,433,368	*40,263,548*
Shares issued during year ended 30 April 2020	16,072,482	*2,169,820*
Shares in issue at 30 April 2020	58,505,850	*42,433,368*

During the year the Company issued 16,072,482 new ordinary shares of 25p nominal value as follows:

	Shares	**£**
Settlement of invoices at 120p	7,500	-
Settlement of invoices at 100p	27,000	-
Settlement of arrangement fee at 100p	408,000	15,000
Conversion of Convertible Loan Notes at 100p	540,000	1,178,700
Interest on CLNs at 100p	605,555	117,870
Exercise of warrants at 95p	500,000	-
Settlement of invoices at 80p	30000	-
Exercise of warrants at 80p	2,550,000	686,600
Exercise of options at 68.89p	650,000	-
Exercise of options at 68.17p	740,000	-
Exercise of options at 66.75p	540,000	-
Exercise of options at 64.82p	1,090,000	-
Exercise of options at 64.50p	1,013,333	-
Exercise of options at 63.41p	2,750,000	-
Exercise of options at 59.17p	200,000	-
Conversion of loan at 50p	4,400,000	-
Interest on loan at 50p	21,094	-
	16,072,482	1,998,170

Share Options

Share options are granted to directors and officers of the Group. Options are not conditional on the employee's performance and there is no service condition attached to the awards. They are exercisable immediately and the exercise price is factored into the fair value at grant. The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date"). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Share options outstanding and their related weighted average exercise prices are as follows.

	2020		**2019**	
	Weighted average exercise price in £ per share option	**Options**	**Weighted average exercise price in £ per share option**	**Options**
At 1 May 2019	0.65215	6,983,333	*£0.59650*	*4,093,333*
Issued during year	-	-	£0.72000	*2,890,000*
Exercised during year	0.65215	6,983,333	-	-
At 30 April 2020	-	-	£0.65215	6,983,333

During the year all outstanding options were exercised. There were none outstanding at the year end.

Notes to the Consolidated Financial Statements (continued)

22 Reserves – Company and Group

Share premium account. When shares are issued at a value greater than the nominal value of 25p, the surplus is credited to this reserve. The balance shown at any time is net of the costs of share issues. The Reserve is not distributable.

Share option reserve. This represents to cost to the Company of issuing the options described in the previous note. The reserve is not distributable and has been utilised when options were exercised.

Other reserve. Convertible Loan Notes issued by the Company are fully explained in note 20. This reserve contains the equity element of CLNs issued by the Company.

Treasury shares. This represents the cost of acquisition of the Company's own shares owned by its subsidiary, Ace (EBT) Limited as trustee of the Group's Employee Benefit Trust.

Retained earnings. The accumulation of undistributed profits earned by the Company over previous and current trading years.

23 Financial instruments

23.1 Financial instruments recognised in the consolidated statement of financial position

All financial instruments are recognised initially at their fair value and subsequently measured at amortised cost:

	Group	
	2020	**2019**
Loans and receivables	**£**	**£**
Cash and cash equivalents	7,432,958	*1,956,742*
Trade and other receivables	789,256	*510,490*
	8,222,214	*2,467,232*
Other financial liabilities		
Borrowings	58,263,898	*63,133,844*
Trade and other payables	5,536,009	*4,883,381*
	63,799,907	*67,967,225*

Fair values of financial assets and liabilities.

The fair value of trade debtors and creditors included in net current assets is equivalent to the balance sheet carrying values. All of the Group's borrowings are held at amortised cost.

23.2 Financial risk management objectives and policies

Credit risk

At the balance sheet date there were no significant concentrations of credit risk. The Group trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks and customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

The Group's cash balances are all held with major banking institutions. The majority of trade receivables are due from credit worthy customers or financial institutions and are automatically settled within a few days of arising.

Liquidity risk

Responsibility for liquidity risk management rests with the board which has formulated liquidity management tools to service this requirement. Management of liquidity risk is achieved by monitoring budgets, forecasts and actual cash flows. The Group's policy is to minimise refinancing risk and to match loan maturities with the expected period of rental income for each property.

The table below analyses the Group's financial liabilities (excluding Trade and other payables) into maturity groupings:

	Under 1 year	**1 - 5 years**	**0ver 5 years**	**2020 Total**
	£	**£**	**£**	**£**
Mortgages secured on investment properties	695,250	44,539,300	-	45,234,550
Liabilities held for sale	78,312	1,272,313	-	1,350,625
Convertible loan notes	973,722	10,383,080	-	11,356,802
Unsecured loan	1,000,000	-	-	1,000,000
	2,764,284	56,194,693	-	58,941,977

Market risk

The Group's main exposure to market risk is through interest rates. As a condition of the loan facility advanced by Lloyds Bank plc, the Company is required to make a hedging arrangement in respect of the interest due on a minimum of 75% of the loan drawn down. This has the effect of substituting a fixed interest rate for a variable one and protects the Group against interest rate rises.

Notes to the Consolidated Financial Statements (continued)

23.2 Financial risk management objectives and policies (continued)

Interest rate risk

The Group is subject to interest rate risk as its bank balances and some borrowings are subject to interest at a floating rate. The interest rate on bank balances at 30 April 2020 was in the range 0% to 0.05%. Interest rate on loans at the same date was in the range 3.5% to 4.3%. Of the Group's borrowings at 30 April 2020, £55,562,648 is at rates fixed for the duration of the loan or a minimum period of three years by means of agreements to swap variable rate liabilities into fixed rates. If interest rates increased by 1% the Group's annual interest liability would increase by £13,506. The directors monitor interest rates closely and evaluate the return from property purchases using a cost of financing significantly above current market rates.

Fair value risk

In view of the above interest arrangement it is thought that fair value risk is minimal and that financial instruments are stated in the consolidated statement of financial position at value not significantly different from their fair value.

23.3 Capital Structure

The Group sets the amount of capital in proportion to risk and monitors this in accordance with economic conditions and the risk profile of underlying assets. Capital consists of share capital, share premium account, share option reserve, other reserve and retained earnings. The Group monitors its debt to equity ratio which was calculated as follows.

The movement in the year was the result of the Group successfully investing its cash balances in suitable properties.

	Group	
	2020	**2019**
	£	**£**
Total debt	58,941,977	*63,133,844*
Less cash and cash equivalents	(7,432,958)	*(1,956,742)*
Net debt	51,509,019	*61,177,102*
Total equity	31,585,434	*21,170,030*
Debt to equity	163%	*289%*

23.4 Financial assets

Financial assets are disclosed in notes 16 and 23.1. The Group's principal financial assets are bank balances and trade and other receivables. The directors have a policy of only acquiring properties which have tenants with a high credit rating to minimise the risk of non payment. Short term cash deposits are placed only with banks with a high credit rating.

24 Related party transactions

	Group	
	2020	**2019**
	£	**£**
Hind Property Company Limited is a related party as Ismail Ghandour is a director of both companies.		
Included within the Group's income statement are the following amounts charged by Hind Property Company Limited:		
Property management fees	106	*2,182*
LiBank (Levant Investment Bank) s.a.l. is a related party as Dr Tony Ghorayeb is a director of both companies.		
The following amounts are included in the Group Statement of Financial Position at 30 April:		
Cash and cash equivalents held in LiBank accounts	4,939,161	*51,012*
Maybridge Commercial Limited is a related party as Mark Thomas is a director of both companies.		
There are no amounts included in the Group Statement of Financial Position at 30 April.		
Included within the Group's income statement are the following amounts charged by Maybridge Commercial Limited:		
Professional fees	38,025	*58,500*

Notes to the Consolidated Financial Statements (continued)

24 Related party transactions (continued)

	Company 2020 £	Company 2019 £
Ace (Leeds) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(123,250)	*973,124*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	855,440	*978,690*
Hilcott Overseas Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other payables	335,100	*335,100*
Silverdale Worldwide Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	-	*143,375*
Ace (Hulme) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	970	*6,657,476*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other payables	1,455,553	*1,456,523*
Radcliff Property Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	-	*1,000*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other payables	826,569	*826,569*
Ace (Luton) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	67,819	73,228
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	1,097,031	1,029,212
Ace (Barnsley) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(180,685)	37,000
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	564,445	745,130
Ace (Sunderland) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(77,634)	2,219,853
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	4,129,389	4,202,469
Ace (Dudley) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(92,036)	10,296,152
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	2,324,016	2,416,502
Ace (Gateshead) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(67,002)	*609,446*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	1,801,075	*186,8077*
Ace (Plymouth) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(29,624)	*452,879*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	3,731,614	*3,751,482*

Notes to the Consolidated Financial Statements (continued)

24 Related party transactions (continued)

	2020	2019
	£	£
Ace (Chelsea) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	140,755	*253,332*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	2,135,702	*1,994,947*
Ace (Hanley) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(22,629)	*1,334,289*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	9,393,059	*9,415,688*
Ace (Management) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	25,091	*3,117,015*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	15,793,072	*15,767,981*
Ace (Manchester) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	63,267	*697,731*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	4,260,583	*4,197,316*
Ace (EBT) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(11,500)	*9,568*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	491,159	*502,659*
Ace (Keighley) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	(39,138)	*987,679*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	4,967,034	*5,006,172*
Ace (North) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	569,534	*12,112,037*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	12,946,237	*12,376,703*

25 Post balance sheet events

On 26 June 2020, the Company repaid £300,000 of 5% Convertible Loan Notes, leaving a balance of £575,000 outstanding.

On 2 July 2020, the Company exchanged contracts for the irrevocable purchase of 78/82 English Street and 49/53 Blackfriar Street, Carlisle at a price of £1,710,000 with completion by 7 December 2020. The main tenant is Clydesdale Bank plc with a rent of £120,000 p.a.

On 26 August 2020, the Company completed the purchase of 16-17 Westborough, Scarborough, North Yorkshire for £1,430,000 with a secured loan of £625,000 from Coutts & Co. The tenant is Skipton Building Society with a passing rent of £131,000 p.a.

26 Controlling party

The Company has no one controlling party.

Expected timetable of principal events

Publication of this Document	2 October 2020
Latest time and date for receipt of Form of Proxy	10.30 a.m. on 28 October 2020
Annual General Meeting	10.30 a.m. on 30 October 2020

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of a Regulatory News Service announcement.

All references to time in this Document are to London time.

Definitions

The following definitions apply throughout this Document and the accompanying Form of Proxy unless the context requires otherwise:

"**Act**"	Companies Act 2006
"**Board**" or "**Directors"**	the Directors of the Company, whose names are set out on page 3 of this Document
"**Company**"	Ace Liberty & Stone Plc
"**Annual General Meeting**" or "**AGM**"	the Annual General Meeting of the Company convened for 10.30 a.m. on 30 October 2020 to approve the Resolutions, or any adjournment of the Annual General Meeting.
"**Form of Proxy**"	the form of proxy for use by Shareholders at the Annual General Meeting
"**Ordinary Shares**"	ordinary shares of 25p each in the capital of the Company
"**Resolutions**"	the resolutions as set out in the notice of the Annual General Meeting on pages 38 to 41 of this Document
"**Shareholders**"	the holders of Ordinary Shares

Letter from the Chairman

ACE LIBERTY & STONE PLC

(incorporated and registered in England and Wales with registered number 06223892)

2 October 2020

To Shareholders and, for information only, to the holders of options over Ordinary Shares.

Dear Shareholder,

There is attached to this Document the Notice convening an Annual General Meeting of the Company to be held on 30 October 2020.

The business of the AGM is set out in the Notice of AGM. The ordinary business of the AGM is the approval of the accounts of the Company for the year ended 30 April 2020 and the consolidated accounts of the Company and its subsidiaries for the same period, the reappointment of Kayssar Ghorayeb and Mark Thomas who retire by rotation at this AGM, and the appointment of Jeffreys Henry LLP as auditors.

SPECIAL BUSINESS

Resolution 5 - To authorise the Directors pursuant to section 551 of the Companies Act 2006

The Act requires that the authority of the Directors to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company should be subject to the approval of Shareholders in general meeting or to an authority set out in the Company's Articles of Association.

Resolution 5 will be proposed at the AGM, as an ordinary resolution to authorise the Directors to allot unissued shares of the Company up to a total nominal value of £5,417,000. This authority will expire at the next annual general meeting or, if later, fifteen months after the passing of the resolution.

Resolution 6 – To disapply the statutory pre-emption rights under section 561 of the Companies Act 2006

The Act requires that any equity securities issued wholly or partly for cash must be offered to existing Shareholders in proportion to their existing holdings unless otherwise approved by Shareholders in general meeting or accepted under the Company's articles of association. Accordingly, a special resolution (this resolution 6) will be proposed at the AGM, subject to the passing of resolution 5, to vary the Directors' authority to allot equity securities for cash other than on a pro rata basis.

The disapplication of statutory pre-emption rights is to be subject to limitations. In the case of shares to be issued or in respect of which options and other rights may be granted to employees and officers of the Group, the number of Ordinary Shares that may be allotted without invoking the statutory pre-emption rights is to be up to an aggregate nominal amount of £106,000, *i.e.* up to 424,000 Ordinary Shares which represents about one per cent. of the present issued share capital. In the case of shares to be issued or for which rights might be granted for placings and other issues, the shares that may be allotted without being offered by way of rights to existing shareholders under the statutory pre-emption rights is to be up to an aggregate nominal amount of £5,311,000 which would provide for up to 21,244,000 new Ordinary Shares which represents about 50 per cent. of the present issued share capital. This authority will expire on the date falling fifteen months after the passing of this resolution or the date of the annual general meeting to be held in 2021, whichever is the earlier.

ACTION TO BE TAKEN

The Form of Proxy for use by Shareholders at the Annual General Meeting is enclosed. If you are unable to be present at the Annual General Meeting, please complete and sign the Form of Proxy and return it to the Company's registrars, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, to be received as soon as possible, and in any event by no later than 10.30a.m. on 28 October 2020.

You are entitled to appoint a proxy to attend and to exercise all or any of your rights to vote and to speak at the Annual General Meeting instead of you. However, the completion and return of the Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person if you wish to do so. Your attention is drawn to the notes to the Form of Proxy.

Letter from the Chairman (continued)

In light of the Covid-19 pandemic situation, it is currently expected that no shareholders, proxies or corporate representatives will be permitted to attend the AGM in person. Shareholders are therefore urged to appoint the Chairman of the meeting as his or her proxy as no shareholders, proxies or corporate representatives will be permitted to attend the AGM in person.

Recommendation

The Board believes that the Resolutions being put to the Shareholders as described in this letter are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions to be proposed at the AGM as they intend to do in respect of their own beneficial holdings.

Yours sincerely

Dr Tony Ghorayeb
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Ace Liberty & Stone Plc (incorporated and registered in England and Wales with registered number 06223892) (the "**Company**") will be held at 10.30 a.m. on 30 October 2020 at 3a Pont Street, London SW1X 9EJ (the "**Meeting**") to consider and if thought fit, to pass resolutions 1 to 5 as ordinary resolutions of the Company and resolution 6 as a special resolution of the Company.

ORDINARY BUSINESS

As Ordinary Resolutions

1. To receive and adopt the statement of accounts for the year ended 30 April 2020, together with the reports of the directors and the auditors thereon and the consolidated accounts of the Company and its subsidiaries for the same period.
2. That Kayssar Ghorayeb, a Director retiring by rotation in accordance with the Company's Articles of Association, be and is hereby re-elected as a Director of the Company.
3. That Mark Thomas, a Director retiring by rotation in accordance with the Company's Articles of Association, be and is hereby re-elected as a Director of the Company.
4. To appoint Jeffreys Henry LLP Chartered Accountants as auditors of the Company and to authorise the Directors to fix the remuneration of Jeffreys Henry LLP Chartered Accountants.

SPECIAL BUSINESS

As an Ordinary Resolution

5. That in accordance with Section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**"Rights"**) up to an aggregate nominal amount of £5,417,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2021 or the date falling fifteen months after the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

   This authority is in substitution for all previous authorities conferred on the Directors in accordance with Section 551 of the Companies Act 2006, but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

As a Special Resolution

6. That, the Directors be and they are hereby empowered (in substitution for and to the exclusion of any other existing powers save to the extent that the same have been previously exercised) pursuant to Section 551 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) of the Company for cash pursuant to the authority conferred on them by Resolution 5 and to allot relevant securities as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that the disapplication of the statutory pre-emption rights is limited to:

   (a) subject to the Resolution 5 being passed, up to an aggregate nominal amount of £106,000 in respect of Ordinary Shares which may be issued, in respect of which Rights may be granted to employees and officers of the company and its subsidiaries; and

   (b) up to an aggregate nominal amount of £5,311,000 in respect of Ordinary Shares which may be issued or in respect of which Rights may be granted otherwise than by way of rights issue in accordance with the statutory pre-emption rights.

Notice of Annual General Meeting (continued)

(c) This power shall (unless previously revoked or varied by the Company in General Meeting) expire eighteen months after the date of the passing of this Resolution or at the conclusion of the Annual General Meeting of the Company to be held in 2021 whichever first occurs save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Dated: 2 October 2020

By order of the Board

International Registrars Limited

Secretary

Registered office: Finsgate, 5-7 Cranwood Street, London EC1V 9EE

Notes

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

   In light of the Covid-19 pandemic situation, unless both the COVID-19 situation and the applicable guidance have changed substantially prior the date of the meeting, no shareholders, proxies or corporate representatives will be permitted to attend the Meeting in person. The Company will notify shareholders if this position changes.

2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.

   Shareholders are urged to appoint the Chair of the meeting as his or her proxy as, unless both the COVID-19 situation and the applicable guidance have changed substantially prior the date of the Meeting, no shareholders, proxies or corporate representatives will be permitted to attend the Meeting in person. The Company will notify shareholders if this position changes.

3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street Farnham Surrey GU9 7DR. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.

4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution.

Appointment of a proxy using the hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

6. To appoint a proxy using the proxy form, it must be

   (a) completed and signed;

   (b) sent or delivered to the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street Farnham Surrey GU9 7DR; and

   (c) received by the Company's registrars no later than 10.30 a.m. on 28 October 2020.

Notice of Annual General Meeting (continued)

7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

9. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (SI 2001/3755), specifies that only those ordinary shareholders registered in the register of members of the Company by close of business on 1 October 2020 or, if the meeting is adjourned, in the register of members at 10.30 a.m. on the day (not including non-working days) two days before the date of any adjourned meeting will be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Appointment of proxies through CREST

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent by **10.30 a.m.** on **28 October 2020**. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (SI 2001/3755)

Appointment of proxy by joint members

14. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

15. To change your proxy instructions simply submit a new proxy appointment using the methods set out in paragraphs 6 or 11 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.

16. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrar as indicated in paragraph 3 above.

17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

18. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the registrars of the Company, Share Registrars Limited, The Courtyard, 17 West Street Farnham Surrey GU9 7DR (in the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

19. The revocation notice must be received by the Company no later than 10.30 a.m. on 28 October 2020.

20. you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 21 below, your proxy appointment will remain valid

Notice of Annual General Meeting (continued)

21. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated. **However, it should not be noted however that it is currently expected that no shareholders, proxies or corporate representatives will be permitted to attend the Meeting**

Corporate representatives

22. A corporation, which is a member, can appoint one or more corporate representatives, who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share

Communication

23. You may not use any electronic address provided either in this notice of meeting or any related documents (including the document within which this notice of meeting is incorporated and the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Important Information on Format of the Meeting

24. At the date of the Notice of Meeting, due to the restrictions imposed by Government guidance to address the COVID-19 outbreak and to protect the health and well-being of shareholders, the Company's Directors, employees and advisers, the Directors have reluctantly decided that the Meeting cannot follow the usual format. The recently enacted Corporate Insolvency and Governance Act 2020 sets out that companies may hold closed general meetings up to 30 December 2020,. On that basis, together with the continuing risk of localised restrictions the Company has taken the decision that a conventional general meeting is not practical unless both the coronavirus (COVID-19) situation and the applicable guidance have changed prior the date of the meeting. Unless Shareholders are notified otherwise by the Company prior to the date of the Meeting, the Meeting will be held with only the minimum number of shareholders present as required to form a quorum under the Company's Articles of Association and only to conduct the formal business of the meeting (facilitated by the Company). To ensure everyone's safety no other shareholders or proxies or corporate representatives will be permitted entry to the Meeting.

25. Shareholder participation is important to the Directors and all shareholders are encouraged to vote ahead of the Meeting by appointing a proxy to vote on the resolutions set out in the Notice of Meeting as soon as possible and in any event by 10.30 a.m. on 28 October 2020. Shareholders are strongly encouraged to appoint the Chairman of the Meeting as their proxy in order that the Chairman can vote according to the shareholder's wishes at the Meeting to ensure their votes on the resolutions are counted. Other named proxies will not be allowed to attend the Meeting and therefore votes of such proxies will not be counted at the Meeting. Shareholders can vote ahead of the Meeting by completing and returning a Proxy Form.

26. All resolutions for consideration at the Meeting will be voted on a poll, rather than a show of hands, and all valid proxy votes cast will count towards the poll votes. The results will be announced via a regulatory announcement and will be posted on the Company's website as soon as practicable after the Meeting.

Form of proxy for use at the Annual General Meeting of Ace Liberty & Stone plc

to be held at 10.30a.m. on 30 October 2020 at 3a Pont Street, London SW1X 9EJ (the **"Meeting"**).
I/We being (a) member(s) of Ace Liberty & Stone Plc (the "**Company**") hereby appoint the Chairman of the Meeting or (see note 3 overleaf):-

……

as my/our proxy to attend, speak and vote on my/our behalf at the Meeting and at any adjournment of the Meeting. I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X':-

ORDINARY BUSINESS	**RESOLUTION**	**FOR**	**AGAINST**	**WITHHELD**
Resolution 1 (Ordinary)	To consider and adopt the statement of accounts for the year ended 30 April 2020 and the reports of the directors and auditors thereon and the consolidated accounts of the Company and its subsidiaries for the same period			
Resolution 2 (Ordinary)	To re-elect Kayssar Ghorayeb as a director of the Company			
Resolution 3 (Ordinary)	To re-elect Mark Thomas as a director of the Company			
Resolution 4 (Ordinary)	To re-appoint Jeffreys Henry LLP Chartered Accountants as auditors of the Company			
SPECIAL BUSINESS	**RESOLUTION**	**FOR**	**AGAINST**	**WITHHELD**
Resolution 5 (Ordinary)	To authorise the directors to allot relevant equity securities up to a maximum nominal amount set out in and in accordance with the terms set out in the Notice of the General Meeting			
Resolution 6 (Special)	Subject to, and conditional upon, resolution 6 being passed, to empower the directors to allot relevant equity securities pursuant to section 570 of the Companies Act 2006 set out in and in accordance with the terms set out in the Notice of the General Meeting			

If no indication is given, my/our proxy will vote or abstain from voting at his/her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is properly put before the Meeting (including any resolution to adjourn the Meeting).

Signed……………………………………………………… Date…………………………………………………..

(Please complete in BLOCK CAPITALS including initials and surnames of joint holders if applicable).

Name in full ……………………………………………………………………………………………

Address ………………………………………………………………………………………………

………

Joint Holders ……………………………………………………………………………………………

PLEASE RETURN TO THE ADDRESS PER NOTE 6 ON PAGE 45

Form of proxy for use at the Annual General Meeting of Ace Liberty & Stone plc (continued)

Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

   In light of the Covid-19 pandemic situation, unless both the COVID-19 situation and the applicable guidance have changed substantially prior the date of the meeting, no shareholders, proxies or corporate representatives will be permitted to attend the Meeting in person. The Company will notify shareholders if this position changes.

2. A proxy need not be a member of the Company but must attend the Meeting to represent you. To appoint as your proxy a person other than the Chairman of the Meeting, the words "the Chairman of the Meeting" should be struck out and the name and address of the other person be inserted in block capitals in the space provided. If you sign and return this proxy form with no name inserted in the space provided, the Chairman of the Meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the Meeting and are aware of your voting intentions.

   Shareholders are urged to appoint the Chair of the meeting as his or her proxy as, unless both the COVID-19 situation and the applicable guidance have changed substantially prior the date of the Meeting, no shareholders, proxies or corporate representatives will be permitted to attend the Meeting in person. The Company will notify shareholders if this position changes.

3. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

   However, it should not be noted however that it is currently expected that no shareholders, proxies or corporate representatives will be permitted to attend the Meeting.

4. The manner in which the proxy is to vote should be indicated by marking the appropriate box with an ‘X’. To abstain from voting on a resolution, select the relevant “Vote withheld” box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy complete and submit more than one proxy form and make it clear how many shares the proxy has voting rights over. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member on the record date will result in the proxy appointment being invalid.

6. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be in writing and delivered to the office of the Company’s registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, so as to be received not later than 48 hours before the time appointed for holding the meeting (or 48 hours before the time fixed for any adjourned meeting or in the case of a poll to be taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for taking the poll at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day and where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, at the meeting at which the poll was demanded).

7. In the case of a member which is a company, the form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Form of proxy for use at the Annual General Meeting of Ace Liberty & Stone plc (continued)

9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

10. For details of how to revoke your proxy appointment see the notes to the notice of Meeting.

11. **CREST**

    a. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

    b. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent by **10.30 a.m. on 28 October 2020**. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

    c. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

    d. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (SI 2001/3755).

12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), holders of Ordinary Shares must be entered on the relevant register of securities by 6.00 p.m. on 28 October 2020.


1927
Clydesdale Bank

SKIPTON BUILDING

3A Pont Street, London, SW1X 9EJ Contact No: 0207 201 8340 Email: info@acelibertyandstone.com