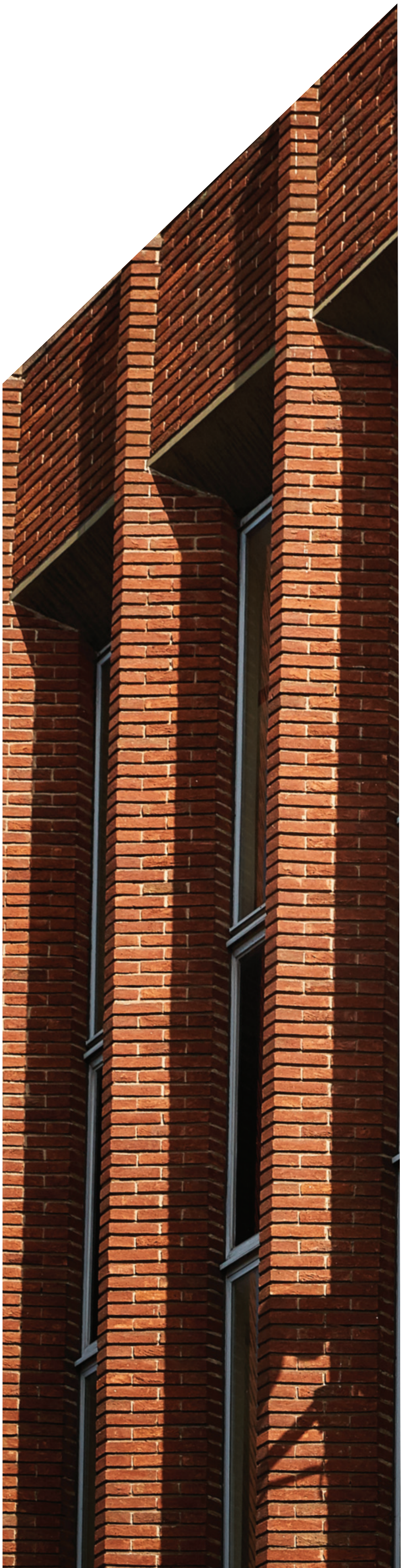
ACE LIBERTY & STONE PLC

ANNUAL REPORT 2017

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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 2017

Notice of the Annual General Meeting of the Company to be held at 12 noon on 26 October 2017 at Finsgate, 5-7 Cranwood Street, London EC1V 9EE is set out on pages 5 to 8 of this Document.

A Form of Proxy for use at the Annual General Meeting is enclosed, and to be valid the Form of Proxy must be completed in accordance with the instructions set out on it and returned to Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, as soon as possible, but in any event not later than 12 noon on 24 October 2017. 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 page 4 of this Document.

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
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
Brokers:	Hybridan LLP 20 Ironmonger Lane London EC2V 8EP
Solicitors:	Bracher Rawlins LLP 77 Kingsway London WC2B 6SR

Chairman's Statement

I am pleased to report that Ace Liberty & Stone plc continues to make good progress and is active in the commercial property market. At 30 April 2017 the Group's portfolio was valued at £38,979,308 compared to £29,488,428 a year earlier. During the year ended 30 April 2017, Ace purchased 1 – 5 Upper Market Square, Hanley for £9,000,000 and Grosvenor Casino, Manchester for £4,000,000. These properties are featured on the inside front cover of this report. Since the year end the purchase of Princess House, Barnstaple for £2,325,000 has been announced and we have exchanged contracts to purchase College Square, Margate for £8,300,000 with completion expected by 30 September. The Company continues to realise substantial profits from its property holdings. King House, Luton, which had been purchased for £2,750,000 in November 2014, was sold during the year for £4,550,000 demonstrating once more the Company's good judgement in selecting properties for its portfolio. Contracts had been exchanged for the sale of Hume House, Leeds in January 2016, but the purchaser was unable to complete and the Company retains the property. This property is currently classed as an asset held for sale. Negotiations are well advanced with another purchaser and a sale announcement can be expected soon. The directors have also started to realise the residential properties owned by the Group in order to reinvest in commercial properties. This is expected to be achieved by the end of the current financial year.

In addition to the expansion of the Group's portfolio, there have been other significant achievements since my last report. During the year, the Group has negotiated a loan facility with Lloyds Bank plc which has been utilised to purchase four new properties as well as to re-finance the existing commercial portfolio. This relationship with a major UK banking group will be of continued assistance to the Group and strengthen our negotiating position when further properties are acquired in the future.

Since the year end, the Company has issued a two year Convertible Loan Note for £10,000,000 at an interest rate of 6%. The proceeds will be used to further expand the Group's commercial property portfolio.

On 31 March 2017, the Company held a General Meeting at which it was decided to consolidate the existing 1p ordinary shares into ordinary shares of 25p on the basis of 25 1p shares for every new 25p share. The directors recommended this change in order to distance the Company from the "penny share" label.

The results for the year show an increase in revenue from £2,037,308 for the year ended 30 April 2016 to £2,632,219 in the year under review. Profit before taxation has increased from £612,334 to £1,122,317. The directors have continued to value the portfolio conservatively.

The directors have continued the Company's policy of increasing the dividend each year with a payment of 4.0% in June 2017. It is the Board's policy to continue to pay an increasing dividend unless constrained by economic conditions.

The Board considers its investment strategy to date has been successful and will continue to enlarge the portfolio in similar manner as opportunities arise.

Dr Tony Ghorayeb
Chairman
Date: 29 September 2017

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 NEX 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.

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, Mark Thomas (up to 28 October 2016) and Hikmat El-Rousstom (from 28 October 2016). 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.

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	7	4	7	4
Ismail Ghandour	7	2	7	2
Mark Thomas	7	1	7	1
Kayssar Ghorayeb	6	10	7	10
Ivan Minter	7	4	7	4
Keith Pankhurst	7	5	7	6
Hikmat El-Rousstom	7	4	7	4

Shareholders

At the date of this report, the following shareholders held more than 3% of the company's issued share capital:

	Shares of 25p	%
Dr Abdel-Karim El-Rousstom	6,804,938	17.28%
HSBC Global Custody Nominee (UK) Limited	5,614,078	14.26%
Dinama Holdings Limited	3,208,378	8.15%
Euroclear Nominees Limited	2,554,603	6.49%
Daniel Waylett	2,440,000	6.20%
Bijan Daneshmand	2,031,765	5.16%
LiBank S.A.L.	1,598,150	4.06%

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.

Review of business

During the year the Group acquired three commercial properties and completed six sales. Another sale has been agreed for completion after the year end. The Group has now established a balanced portfolio with a good level of income. During the year the directors have arranged the sale of a number residential holdings including one of the West End flats. Further sales are in progress with the aim of concentrating the Group's resources in the core commercial portfolio. At the year end, three properties and the remainder of the two residential portfolios were classified as held for sale in the balance sheet.

The Group financial facility with Lloyds Bank plc was drawn down on 17 November 2016 and a further advance was made in April 2017 to finance the purchase of Grosvenor Casino, Manchester.

Since the year end, two further purchases have been arranged, also with finance from the Group facility.

An overall review of business is given in the Chairman's Statement on page 3.

The Board monitors key financial performance indicators. The indicators are appropriate to the circumstances of the business. For the year ended 30 April 2017 they are summarised below:-

- Total property holdings (including those held for sale) were valued at £38,979,308 at the year end. (2016: £29,488,428)
- The portfolio annual rental income was £2,563,565 at 30 April 2017. (2016: £2,336,800)
- Total equity attributable to owners of the parent amounted to £18,132,735 (2016: £17,946,575).
- Rental income for the year was £2,632,219 (2016: £2,037,308).
- The group's profit for the year after taxation was £962,676 (2016: £259,993)
- Portfolio loan to value was 50.61% (2016: 48.59%)
- Weighted average unexpired lease to break was 8.75 years (2016: 6.55 years)

Weighted average unexpired lease to break ("WAULB") and Loan to value (LTV) have been added this year. WAULB is a good indication of the strength of the portfolio and LTV evidences the group's cautious investment policy.

Principal risks and uncertainties

The Group's portfolio is exclusively invested in the UK and therefore it 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 of 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 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 a facility with a preferred lender which is 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 can continue profitably at its present size.

Future developments

Certain properties are designated for early sale and some sales are in progress. During the current year, as far as is possible in the prevailing economic climate, the consolidation of the portfolio into commercial holdings will continue with the intention of increasing both immediate revenue and potential capital profits from changes of use. Transactions are currently under considerations and will be announced as they are finalised.

The directors will continue the same investment policies which have been successful since the NEX listing intending to continue to increase the Group's assets in the future.

The Strategic Report was approved by the Board on 29 September 2017 and signed on its behalf by:

Ivan Minter

Director

Directors' Report

The directors present their report with the audited consolidated financial statements for the year ended 30 April 2017.

Dividends

The directors declared an interim dividend for the year ended 30 April 2017 of 0.01p per ordinary share of 25p (2016: 0.033p per share of 1p). This was paid on 14 July 2017.

Directors

The following directors have held office since 1 May 2016:

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

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 28 June 2017 the Company issued a 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 14 July 2017 the Company paid a dividend to ordinary shareholders of 4% of nominal share value.
On 4 August 2017 the Company completed the purchase of Princess House, Queen Street, Barnstaple for the sum of £2,325,000. On 31 July 2017 the Company exchanged contracts for the purchase of College Square, Margate at a value of £8,350,000. Completion is expected by 30 September 2017. On completion of the purchase of the latter property, the Company intends to drawdown a further advance from Lloyds Bank plc on similar terms to the existing borrowing.
The Company has issued 747,754 ordinary shares for a total value of £534,500.
In the period since 30 April 2017, the Company has continued to realise the residential portfolios owned by Silverdale Worldwide Limited and Ace (Barnsley) Limited in order to make funds available to purchase further commercial property.

Future developments

This information has not been included in the Directors' Report because it is shown in the Strategic Report as permitted by section s414C(11) of the Companies Act.

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 NEX 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.

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

Directors' Report (continued)

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 in 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 29 September 2017 and signed on its behalf by:

Ivan Minter
Director

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

We have audited the Group financial statements of Ace Liberty & Stone Plc (the 'parent company') and its subsidiaries (the 'Group') for the period ended 30 April 2017, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, company statement of financial position, company statement of changes in equity and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation 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), as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, the directors are responsible for the preparation of the Group's and the parent's financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group's and the parent's financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, Corporate Governance Statement, Strategic Report, and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2017 and of the Group's profit and group's cash flows for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Chairman's Statement, Corporate Governance Statement, 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 Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Chairman's Statement, Corporate Governance Statement, Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)

Finsgate 5-7 Cranwood Street
London EC1V 9EE

29 September 2017

Consolidated Statement of Comprehensive Income for the year ended 30 April 2017

	Notes	2017 £	2016 £
Revenue	4	2,632,219	*2,037,308*
Gain (loss) on disposal of investment property		1,018,665	-
Administrative expenses	5	(1,567,466)	*(1,201,655)*
Fair value losses on investment property		-	*(422,823)*
Fair value (losses) / gains on assets held for sale		(390,950)	*705,681*
Finance cost	6	(570,882)	*(539,095)*
Finance income	7	731	*32,918*
Profit before taxation	8	**1,122,317**	***612,334***
Taxation	11	(159,641)	*(352,341)*
Profit after taxation		**962,676**	***259,993***
Other comprehensive income		**-**	***-***
Total comprehensive income for the period		**962,676**	***259,993***
Attributable to:			
Owners of the parent		**962,676**	*324,447*
Non-controlling interest		-	*(64,454)*
		962,676	***259,993***
Earnings per share		**Pence**	**Pence**
Basic earnings per share attributable to equity owners of the parent	12	2.45	*0.95*
Diluted earnings per share attributable to equity owners of the parent	12	2.22	*0.85*

Consolidated and Company Statement of Financial Position at 30 April 2017

		Group		Company	
		2017	2016	2017	2016
ASSETS	*Notes*	£	£	£	£
Non-current assets					
Investment property	13	29,453,308	*21,788,428*	50,000	-
Investments	14	-	-	1,863,765	*1,863,565*
Other receivables	16	-	-	25,650,000	*16,614,855*
		29,453,308	*21,788,428*	27,563,765	*18,478,420*
Current assets					
Assets held for sale	15	9,526,000	*7,700,000*	-	-
Trade and other receivables	16	178,166	*134,253*	7,898,645	*33,106*
Cash and cash equivalents		350,810	*517,632*	220,607	*171,276*
		10,054,976	*8,351,885*	8,119,252	*204,382*
TOTAL ASSETS		**39,508,284**	*30,140,313*	**35,683,017**	*18,682,802*
EQUITY AND LIABILITIES					
Current liabilities					
Liabilities relating to non-current assets held for sale	17	3,435,541	*2,400,055*	-	-
Trade and other payables	18	788,466	*909,236*	1,351,181	*137,215*
Taxation		562,728	*485,760*	160,246	*145,780*
Borrowings	19	500,000	*1,333,377*	218,796	*500,000*
		5,286,735	*5,128,428*	1,730,223	*782,995*
Non-current liabilities					
Borrowings	19	15,790,596	*6,853,676*	16,071,800	-
Other payables	18	-	-	-	*1,284,261*
Deferred tax	11	298,218	*211,634*	-	-
		16,088,814	*7,065,310*	16,071,800	*1,284,261*
Share capital	20	9,821,517	*9,821,517*	9,821,517	*9,821,517*
Share premium		7,132,802	*7,132,802*	7,132,802	*7,132,802*
Share option reserve		479,180	*479,180*	479,180	*479,180*
Treasury shares		(480,620)	-	-	-
Retained earnings		1,179,856	*513,076*	447,495	*(817,953)*
Total equity		18,132,735	*17,946,575*	17,880,994	*16,615,546*
TOTAL EQUITY AND LIABILITIES		**39,508,284**	*30,140,313*	**35,683,017**	*18,682,802*

The financial statements were approved and authorised for issue by the Board on 29 September 2017 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	Other reserve	Retained earnings	Controlling interest	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 May 2015	*5,238,340*	*5,402,263*	*479,180*	*462,500*	*828,083*	*12,410,366*	*660,651*	*13,071,017*
Total comprehensive income for the year								
Profit for the year	-	-	-	-	*324,447*	*324,447*	*(64,454)*	*259,993*
Transactions with owners								
Shares issued during the year	*4,583,177*	*1,893,718*	-	*(462,500)*	-	*6,014,395*	-	*6,014,395*
Share issue costs	-	*(163,179)*	-	-	-	*(163,179)*	-	*(163,179)*
Purchase of non-controlling interest	-	-	-	-	*(639,454)*	*(639,454)*	*(596,197)*	*(1,235,651)*
	4,583,177	*1,730,539*	-	*(462,500)*	*(639,454)*	*5,211,762*	*(596,197)*	*4,615,565*
Balance at 30 April 2016	*9,821,517*	*7,132,802*	*479,180*	-	*513,076*	*17,946,575*	-	*17,946,575*

	Share capital	Share premium	Share option	Treasury shares	Retained earnings	Controlling interest	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 May 2016	9,821,517	7,132,802	479,180	-	513,076	17,946,575	-	17,946,575
Total comprehensive income for the year								
Profit on sale and dissolution of subsidiaries	-	-	-	-	54,214	54,214	-	54,214
Profit for the year	-	-	-	-	926,676	926,676	-	926,676
	-	-	-	-	980,890	980,890	-	980,890
Transactions with owners								
Shares purchased by EBT	-	-	-	(480,620)	-	(480,620)	-	(480,620)
Dividend on ordinary shares	-	-	-	-	(324,110)	(324,110)	-	(324,110)
	-			(480,620)	(324,110)	(804,730)	-	(804,730)
Balance at 30 April 2017	**9,821,517**	**7,132,802**	**479,180**	**(480,620)**	**1,179,856**	**18,132,735**	**-**	**18,132,735**

Company Statement of Changes in Equity

	Share capital	Share premium	Share option	Other reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance at 1 May 2015	*5,238,340*	*5,402,263*	*479,180*	*462,500*	*(263,180)*	*11,319,103*
Total comprehensive income for the year						
Loss for the year	-	-	-	-	*(554,773)*	*(554,773)*
Transactions with owners						
Shares issued during the year	*4,583,177*	*1,893,718*	-	*(462,500)*	-	*6,014,395*
Share issue costs	-	*(163,179)*	-	-	-	*(163,179)*
	4,583,177	*1,730,539*	-	*(462,500)*	-	*5,851,216*
Balance at 1 May 2016	*9,821,517*	*7,132,802*	*479,180*	-	*(817,953)*	*16,615,546*
Total comprehensive income for the year						
Profit for the year	-	-	-	-	513,447	513,447
Dividends from subsidiaries	-	-	-	-	1,076,111	1,076,111
	-	-	-	-	1,589,558	1,589,558
Transactions with owners						
Dividend on ordinary shares	-	-	-	-	(324,110)	(324,110)
	-	-	-	-	(324,110)	(324,110)
Balance at 30 April 2017	**9,821,517**	**7,132,802**	**479,180**	-	**447,495**	**17,880,994**

Consolidated Statement of Cash Flows

	2017	2016
	£	£
Profit before tax	1,122,317	*612,334*
Cash flow from operating activities		
Adjustments for:		
Finance income	(731)	*(32,918)*
Finance costs	570,882	*539,095*
Share-based payment charge – Share options	-	*211,200*
Gain on disposal of investment property	(1,018,665)	*-*
Fair value adjustment	390,950	*(282,858)*
Increase in receivables	(44,115)	*(5,952)*
Decrease in payables	(59,592)	*(31,342)*
Tax paid	(21,887)	*(27,150)*
Interest paid	(632,060)	*(419,095)*
Net cash generated by operating activities	307,099	*653,085*
Cash flows from investing activities		
Interest received	731	*32,918*
Purchase of investment properties	(15,078,916)	*(8,756,874)*
Sale of investment properties	6,215,751	*4,850,000*
Cash balances on sale and dissolution of	54,214	*-*
Net cash used by investing activities	(8,808,220)	*(12,701,435)*
Cash flows from financing activities		
Share issue, net of issue costs	-	*4,328,716*
Treasury shares purchased	(480,620)	*-*
Long term loans advanced	16,071,800	*1,969,539*
Long term loans repaid	(6,932,771)	*(2,886,645)*
Equity dividend paid	(324,110)	*(152,620)*
Net cash generated by financing activities	8,334,299	*3,258,990*
Net decrease in cash and cash equivalents	**166,822**	*(1,429,752)*
Cash and cash equivalents at the beginning of the period	**517,632**	*1,947,384*
Cash and cash equivalents at the end of the period	**350,810**	*517,632*

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 NEX Stock Exchange. 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 before taxation is £513,447 (2016: loss £379,894).

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.

Transition to FRS 101

In transition to 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 not yet effective

The following standards and interpretations (and amendments thereto) have been issued by the International Accounting Standards Board and its International Financial Reporting Interpretations Committee (IFRIC) which are not yet effective and have not been adopted, many of which are either not relevant to the Group or have no impact on the financial statements of the Group.

	Effective Dates
IAS 28 (Amended), 'Investments in Associates and joint Ventures'	1 January 2018
IAS 39 (Amended), 'Financial Instruments'	1 January 2018
IAS 40 (Amended), 'Investment Property'	1 January 2018
IFRS 1 (Amended), 'First-time adoption of International Financial Reports Standards'	1 January 2018
IFRS 2 (Amended), 'Share-based payments'	1 January 2018
IFRS 4 (Amended), 'Insurance contracts'	1 January 2018
IFRS 9 'Financial Instruments'	1 January 2018
IFRS 15 'Revenue for Contracts with Customers'	1 January 2018
IFRS 16 'Leases'	1 January 2019
IFRIC 22 (Amended) 'Foreign Currency transactions and advance consideration'	1 January 2019
IFRIC 23 'Uncertainty over Income Tax Treatment'	1 January 2019

The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the Group prepares its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism.

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 2017. 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 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and do not qualify as trading assets. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the consolidated statement of comprehensive income when the loans or receivables are derecognised or impaired, as well as through the amortisation process.

Amounts due from subsidiaries

It is the Group's strategy to hold the ownership of its properties in wholly-owned subsidiaries, partly financed by secured loans. The parent Company then advances the balance of the cost and any further amount necessary for working capital by means of short- and long-term loans. Repayment of the short-term loans is then effected periodically as permitted by the subsidiary's cash flow. The parent charges interest at a commercial rate, currently 6% p.a., on the outstanding balances.

2.6 Cash and Cash Equivalents

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

2.7 Trade and other receivables

Trade and other receivables are recognised by the Group and carried at the original invoice amount less an allowance for any uncollectable or impaired amounts. Other receivables are initially recognised at fair value. Provision is made for impairment when the collection of the full amount is no longer probable.

2.8 Trade and other payables

These are initially recognised at fair value and then carried at amortised cost. These arise principally from the receipt of goods and services.

2.9 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 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.

2.10 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.

Notes to the Consolidated Financial Statements (continued)

2.11 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.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes.

Revenue represents rental income from investment properties and, for the Company only, management fees charged to subsidiary companies. Rental income from investment property leased out under operating leases is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of rental income.

2.13 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 accrues, using the effective interest method, on the net carrying amount of the financial liability.

2.14 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.

2.15 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.

2.16 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.

Notes to the Consolidated Financial Statements (continued)

2.17 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.

2.18 Other reserves

This represents value received for shares which have yet to be issued, and shares repurchased in the year classified as treasury shares.

2.19 Financial assets and liabilities

Financial assets and financial liabilities are recognised on the statement of financial position when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

Financial assets

The Group's accounting policies for financial assets are set out below.
Management determine the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and, where allowed and appropriate, revaluate this designation at every reporting date.

All financial assets are recognised on a trade date when, and only when, the Group becomes a party to the contractual provisions of an instrument. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except for those finance assets classified as at fair value through profit or loss ('FVTPL'), which are initially measured at fair value.
Financial assets are classified into the following specified categories: financial assets at FVTPL, 'held-to-maturity' investments, 'available for sale' (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.
Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.
At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables (including trade receivables, prepayments, deposits and other receivables, cash and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. At each reporting date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity are recognised on the Group's Statement of Financial Position when the Group becomes a party to a contractual provision of an instrument. Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of transaction costs.

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	
	2017	**2016**
Revenue comprises the following	**£**	**£**
Rental income	2,632,219	*2,037,308*
The Group's aggregate minimum future lease receipts at current annual rents are as follows:		
Up to one year	3.575.333	*2,060,533*
More than one year but less than five years	9,204,167	*5,943,917*
More than five years	23,358,167	*5,306,667*
	36,137,667	*13,311,117*

Notes to the Consolidated Financial Statements (continued)

4 Revenue (continued)

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

The Company interprets IFRS8.34 to mean that revenue derived from separate UK Government Departments should be considered as deriving from one customer. This comprises 45% (2016: 65%) of the Group's income. City councils represent 15% (2016: 21%) and FTSE100 companies represent 33% (2016 5%). 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.

5 Administrative expenses

	2017	2016
Directors' fees	553,434	*290,912*
Operating expenses of investment properties	204,125	*235,338*
Legal and professional fees	382,534	*491,969*
Other costs	418,373	*183,436*
	1,561,466	*1,201,655*

6 Finance cost

Loan interest	570,882	*539,095*

7 Finance income

Bank and other interest	731	*32,918*

8 Profit before tax

Profit before tax is stated after charging / (crediting) the following:

Operating lease rentals – land and buildings	44,674	*12,568*
Auditors' remuneration:		
Audit of parent and consolidation	30,000	*28,000*
Audit of subsidiaries	13,000	*27,000*
Other services – tax compliance	9,000	*47,100*
Total fees payable to the auditor	52,000	*102,100*

9 Staff costs

During the year the Company engaged one employee who worked in a clerical capacity for six months at a total cost of £9,622 made up of £9,065 salary and £557 social security costs. There were no pension costs

10 Directors' remuneration

	Group and Company	
	2017	2016
Director's fee	£	£
Keith Pankhurst	21,500	*3,000*
Ismail Ghandour	195,000	*107,000*
Mark Thomas	6,500	*31,000*
Ivan Minter	156,000	*118,000*
Dr Tony Ghorayeb	43,416	*3,000*
Kayssar Ghorayeb	25,834	*8,000*
Hikmat El-Rousstom	21,500	*116,679*
	469,750	*386,679*

No share options were granted or exercised in respect of either year.

During the year the Company made the following pension contributions on behalf of directors:

Ivan Minter	30,000	-

Notes to the Consolidated Financial Statements (continued)

11 Taxation

	Group 2017 £	Group 2016 £
Current Tax		
UK corporation tax	73,057	*505,142*
Total current tax charge	73,057	*505,142*
Deferred tax		
Origination and reversal of timing differences	86,584	*(152,801)*
Total deferred tax charge	86,584	*(152,801)*
Total tax charge for period	159,641	*352,341*
Reconciliation of current tax charge		
Profit on ordinary activities before tax	1,122,317	*612,334*
Tax on profit on ordinary activities at 20.00%	224,463	*122,467*
Effects of:		
(Income)/expenditure not taxable/deductible for tax purposes	(78,411)	*(27,890)*
Tax on losses not recognised	1,572	*35,049*
Utilisation of unrecognised losses brought forward	37,087	*(63,803)*
Other timing differences	(48,312)	*(14,915)*
Prior year adjustment	-	*15,085*
Timing difference on property valuations	97,416	*286,348*
	159,641	*352,341*

Movement on deferred tax		
Balance at 1 May 2016	211,634	*364,435*
Charge for the period	86,584	*(152,801)*
Balance at 30 April 2017	298,218	*211,634*

A potential deferred tax asset of approximately £145,157 (2016: £330,332) 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 £763,983 (2016: £1,651,660).

Deferred tax liability		
The deferred tax liability comprises the following:		
Other short term timing differences	298,218	*211,634*
	298,218	*211,634*

12 Earnings per share

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

	£	**£**
Profit for the period attributable to equity owners	962,676	*324,447*
	No. of shares of 25p	**No. of shares of 25p(restated)**
Weighted average number of shares		
For basic earnings per share	39,288,810	*34,119,518*
Dilutive effect of share options	4,093,333	4,093,333
For diluted earnings per share	43,382,143	*38,212,851*
Earnings per share	**pence**	**pence**
Basic	2.45	*0.95*
Diluted	2.22	*0.85*
	£	**£**
Dividends declared during the year – per share of 1p	-	*0.033*
Dividends declared during the year – per share of 25p	0.01	-
Dividends declared during the year – total	393,721	324,110

There were no dividends declared and approved prior to the end of the year for inclusion in the Financial Statements. However, a dividend of £393,721 was approved after the year end, being equal to 1.0p per share.

Notes to the Consolidated Financial Statements (continued)

13 Investment property

	Group	
	£	£
Valuation at 1 May	21,788,428	*23,964,428*
Purchases during the year at cost	13,778,916	*5,596,823*
Sales during the year at valuation	(3,638,990)	*(4,850,000)*
Transfer to assets held for sale	(2,475,046)	*(2,500,000)*
Fair value (loss) gain	-	*(422,823)*
Valuation at 30 April	29,453,308	*21,788,428*

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 2017 have been valued by Bowcliffe Limited, Chartered Surveyors. The directors' valuation is at fair value. 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	25,453,308
Leasehold over 50 years - external valuation	Level 2	Market value	4,000,000
			29,453,308

The directors believe that the open market value of the investment properties as at 30 April 2017 is £29,453,308 (2016: *£21,788,428*). 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 £28,860,164. (2016: *£21,173,551*).

14 Investments

	Company	
	2017	2016
	£	£
Cost at 1 May 2016	1,863,565	*1,743,140*
Companies formed during year	400	*400*
Acquisition of non-controlling interest in Radcliff Property Limited	-	*1,235,025*
Sale of Ace (Sloane) Limited	(100)	-
Dissolution of Ace (Doncaster) Limited	(100)	-
Impairment	-	*(1,115,000)*
Cost at 30 April 2017	1,863,765	*1,863,565*

Notes to the Consolidated Financial Statements (continued)

14 Investments (continued)

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	
Silverdale Limited	Investment	BVI	Ordinary	100
Hilcott Overseas Limited	Investment	England and Wales	Ordinary	100
Radcliff Property Limited	Investment	Anguilla	Ordinary	100
Ace (Leeds) Limited	Investment	England and Wales	Ordinary	100
Ace (Hulme) Limited	Investment	England and Wales	Ordinary	100
Ace (Luton) Limited	Investment	England and Wales	Ordinary	100
Ace (Barnsley) Limited	Investment	England and Wales	Ordinary	100
Ace (Sunderland) Limited	Investment	England and Wales	Ordinary	100
Ace (Dudley) Limited	Investment	England and Wales	Ordinary	100
Ace (Gateshead) Limited	Investment	England and Wales	Ordinary	100
Ace (Plymouth) Limited	Investment	England and Wales	Ordinary	100
Ace (Chelsea) Limited	Investment	England and Wales	Ordinary	100
Ace (Management) Limited	Investment	England and Wales	Ordinary	100
Ace (Hanley) Limited	Investment	England and Wales	Ordinary	100
Ace (Manchester) Limited	Investment	England and Wales	Ordinary	100
Ace (EBT) Limited	Trustee	England and Wales	Ordinary	100
Lantana Properties Limited (Sub of Luton)	Investment	BVI	Ordinary	1

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

During the year the shares of Ace (Sloane) Limited held by Ace Liberty & Stone plc were sold and Ace (Doncaster) Limited was dissolved.

15 Non-current assets held for sale

	Group	
	2017	**2016**
	£	**£**
Fair value at 1 May 2016	7,700,000	-
Additions at cost	1,300,000	*4,494,319*
Transfer from investment property	2,475,046	*2,500,000*
Sale during the year	(1,558,096)	-
Overall fair value (loss) / gain	(390,950)	*705,681*
Fair value at 30 April 2017	9,526,000	*7,700,000*
This consists of:		
Hume House, Leeds, sold with completion on or before 31 December 2016	3,550,000	*3,550,000*
Colebrook Court, purchased 31 March 2016	-	*1,400,000*
Oscar Court, purchased 26 February 2016	2,750,000	*2,750,000*
Willow House, Aldershot, purchased February 2017	1,300,000	-
Residential portfolio Stoke on Trent, individual properties in process of sale	1,111,000	-
Residential portfolio Barnsley, individual properties in process of sale	815,000	-
	9,526,000	*7,700,000*

Hume House, Leeds was purchased by the Company's subsidiary Ace (Hulme) Limited on 27 March 2014 for £1,675,000. Negotiations are well advanced for a sale of the property. Colebrook Court and Oscar Court were purchased partly by the issue of ordinary shares in the Company with the intention of re-selling. Colebrook Court was sold on 15 September 2016 for £1,553,000. Willow House, Aldershot, has potential for development and was purchased for re-sale. The residential portfolio in Stoke on Trent was purchased in November 1997 by issue of shares on flotation on NEX (PLUS as it then was). The residential portfolio in Barnsley was purchased in 1 October 2014 by issue of shares. The individual properties in both residential portfolios are being sold to enable the proceeds to be invested in commercial properties.

Notes to the Consolidated Financial Statements (continued)

16 Trade and other receivables

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Trade receivables	115,134	*93,198*	13,760	-
Other receivables	42,961	*25,831*	988	*17,882*
Amounts due from subsidiary companies	-	-	33,519,939	*16,614,855*
Prepayments and accrued income	20,071	*15,224*	13,958	*15,224*
	178,166	*134,253*	33,548,645	*16,647,961*
Current	178,166	*134,253*	7,898,645	*33,106*
Non-current	-	-	25,650,000	*16,614,855*
	178,166	*134,253*	33,548,645	*16,647,961*

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

17 Liabilities relating to non-current assets held for sale

	Group	
	2017	2016
	£	£
Secured loan on Hume House, Leeds	*537,041*	*630,345*
Secured loan on Flat G, Oscar Court	*1,687,345*	*1,769,710*
Secured loan on Stoke on Trent residential portfolio	684,447	-
Secured loan on Barnsley residential portfolio	526,708	-
	3,435,541	*2,400,055*

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 liabilities bear interest at rates between 3.4% and 5.25%.

18 Trade and other payables

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Trade payables	76,163	*121,748*	-	-
Taxation and social security	9,272	*81,397*	33,285	*11,798*
Other payables	202,528	*197,018*	15,544	-
Amounts due to subsidiary companies	-	-	1,185,596	*1,284,261*
Accruals and deferred income	500,503	*509,073*	105,756	*125,417*
	888,466	*909,236*	1,351,181	*1,421,476*
Current	888,466	*909,236*	1,351,181	*137,215*
Non-current	-	-	-	*1,284,261*
	888,466	*909,236*	1,351,181	*1,421,476*

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other loans	500,000	*500,000*	500,000	*500,000*
Bank loans	15,790,596	*7,687,053*	15,790,596	*-*
	16,290,596	*8,187,053*	16,290,596	*500,000*
Current	500,000	*1,333,377*	218,796	*500,000*
Non-current	15,790,596	*6,853,676*	16,071,800	*-*
	16,290,596	*8,187,053*	16,290,596	*500,000*

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

Details of security and interest rates

On 1 July 2016 the Company's subsidiaries, Ace (Plymouth) Limited and Ace (Gateshead) Limited, jointly drew down a loan of £3,396,250 from Nationwide Building Society. Interest is charged at a rate of 2.65% per annum above three month LIBOR. The loan was repaid on 17 November 2016.

On 17 November 2016, the Company's subsidiaries Ace (Sunderland) Limited, Ace (Dudley) Limited and Ace (Leeds) Limited repaid the loans secured on their respective properties in full. On 13 February 2017 the Company's subsidiary Ace (Luton) Limited repaid the loan secured on its property in full.

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 a further advance of £2,320,000 secured on the property acquired on that date by its subsidiary Ace (Manchester) Limited. The loan was for a term of five years and carried an interest rate of 2.85% above LIBOR.

20 Share capital

	Group and Company	
	2017	2016
	£	£
Allotted, issued and fully paid up capital		
928,151,750 ordinary shares of £0.01 each	-	*9,821,517*
39,326,070 ordinary shares of £0.25 each	9,821,517	*-*

	Shares of 25p	*Shares of 1p*
Shares in issue at 1 May 2016	*39,286,070*	*523,834,066*
Shares issued during year ended 30 April 2017	*40,000*	*458,317,684*
Shares in issue at 30 April 2017	*39,326,070*	*982,151,750*

During the year the Company issued 40,000 new ordinary shares of 25p nominal value as follows:

	Shares	£
Settlement of invoices at 75p	40,000	30,000
	40,000	30,000

On 31 March 2017 the Company's 1p ordinary shares were consolidated into 25p ordinary shares on the basis of one new share for every 25 existing shares held at that date

Notes to the Consolidated Financial Statements (continued)

20 Share capital (continued)

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. There were no movements in the year.:

	2017		2016	
	Weighted average exercise price in £ per share option	Options	Weighted average exercise price in £ per share option	Options
At 1 May 2016 and 30 April 2017	**£0.02386**	**102,333,333**	*£0.02386*	*102,333,333*

Of the 102,333,333 outstanding options (2016: 102,333,333 options), 102,333,333 options (2016: 102,333,333) were exercisable. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant - expiry	Expiry date	Exercise price in £ per share options	Share options	
			2017	2016
2013 - 2020	31-Oct-2020	£0.02340	*58,333,333*	*58,333,333*
2016 - 2022	20-Apr-2022	£0.02475	44,000,000	*44,000,000*

21 Financial instruments

In common with other businesses, the Group is exposed to the risk that arises from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information is found throughout these consolidated financial statements.

21.1 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	
	2017	2016
Loans and receivables	£	£
Cash and cash equivalents	350,810	*517,632*
Trade and other receivables	158,095	*119,029*
	508,905	*636,661*
Other financial liabilities		
Borrowings	19,726,137	*10,587,108*
Trade and other payables	1,118,470	*885,930*
	20,844,607	*11,473,038*

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.

Notes to the Consolidated Financial Statements (continued)

21.2 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	2017 Total
	£	£	£	£
Mortgages secured on investment	166,677	1,781,286	13,842,633	15,790,596
Liabilities held for sale	3,435,541	-	-	3,435,541
Short term loans	500,000	-	-	500,000
	4,102,218	1,781,286	13,842,633	19,726,137

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 75% of the loan drawn down.

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 2017 was in the range 0% to 0.05%. Interest rate on loans at the same date was in the range 1.85% to 5.75%. Of the Group's borrowings at 30 April 2017, none is at rates fixed for the duration of the loan or a minimum period of three years. 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.

21.3 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	
	2017	2016
	£	£
Total debt	19,726,137	*10,587,108*
Less cash and cash equivalents	(350,810)	*(517,632)*
Net debt	19,375,327	*10,069,476*
Total equity	17,882,336	*17,946,575*
Debt to equity	108%	*56%*

21.4 Financial assets

Financial assets are disclosed in notes 16 and 21.1.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.

Notes to the Consolidated Financial Statements (continued)

22 Related party transactions

	Group 2017 £	2016 £
Hind Property Company Limited is a related party as Ismail Ghandour is a director of both companies.		
The following amounts are included in the Group Statement of Financial Position at 30 April:		
Trade and other receivables	19,282	*70,171*
Included within the Group's income statement are the following amounts charged by Hind Property Company Limited:		
Property management fees	55,376	*32,056*
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	24,685	*32,693*
Included within the Group's income statement are the following amounts charged by LiBank (Levant Investment Bank) s.a.l.		
Interest on loans	-	*37,812*
Included within the Group's income statement are the following amounts received from LiBank (Levant Investment Bank) s.a.l.:		
Bank Interest	-	*26,770*
Fineous Limited is a related party by reason of its former shareholding in Radcliff Property Limited.		
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 Fineous Limited:		
Interest on loans	-	*27,555*
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	56,000	*122,600*
Dr Tony Ghorayeb is a related party because of his directorship in Ace Liberty & Stone plc.		
John Ghorayeb, his son, is one of the tenants of flat 2 Colebrook Court.		
The following amounts are included in the Group Statement of Financial Position at 30 April		
Income received in advance	-	*2,200*
Included within the Group's income statement are the following amounts received from John Ghorayeb		
Revenue	5,650	-
Bijan Daneshmand is a related party because of his shareholding in Ace Liberty & Stone plc		
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 Bijan Daneshmand		
Legal and professional fees	30,000	-
Daniel Waylett is a related party because of his shareholding in Ace Liberty & Stone plc.		
On 20 June 2016 he made a short term loan of £1m to the Company.		
On 1 October he purchased the entire share capital of Ace (Sloane) Limited for £1,553,000. The entire loan and part of the interest and arrangement fee constituted part of the consideration for the purchase. 460,000 ordinary shares of 25p in Ace Liberty & Stone plc were transferred to Ace (EBT) Limited as part consideration.		
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 Daniel Waylett:		
Interest on loans	15,000	-
Finance costs written off	100,000	-

Notes to the Consolidated Financial Statements (continued)

22 Related party transactions (continued)

	Company 2017 £	Company 2016 £
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	531,575	*96,167*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	825,396	*293,821*
Hilcott Overseas Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
There are no transactions in the year		
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	106,845	*22,566*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	623,756	*601,190*
Ace (Doncaster) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	126,791	*792,684*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other payables	-	*126,791*
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	74,799	*98,768*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	1,086,562	*1,011,763*
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	22,669	*2,855,057*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other payables	845,039	*822,370*
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	762,729	*143,492*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	676,522	*1,439,351*
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	5,150	*63,705*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	891,531	*886,391*
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	2,371,148	*190*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	4,274,977	*1,903,829*
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	1,702,035	*259,289*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	3,884,515	*2,182,480*
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	21,244	*1,864,022*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	1,885,266	*1,864,022*

Notes to the Consolidated Financial Statements (continued)

22 Related party transactions (continued)

	Company 2017 £	Company 2016 £
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	12,557	*3,710,352*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	3,722,909	*3,710,352*
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	232,039	*1,269,433*
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	1,501,472	*1,269,433*
Ace (Sloane) Limited is a related party as it is a subsidiary of Ace Liberty & Stone plc.		
The value of transactions in the year was	1,452,233	1,452,233
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	-	1,452,233
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	9,422,936	-
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	9,422,936	-
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	5,459	-
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other payables	5,459	-
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	4,236,524	-
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	4,236,524	-
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	487,573	-
The following amounts are included in the Company Statement of Financial Position at 30 April:		
Trade and other receivables	487,573	-

23 Post balance sheet events

On 28 June 2017 the Company issued a 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 14 July 2017 the Company paid a dividend to ordinary shareholders of 4% of nominal share value.

On 4 August 2017 the Company completed the purchase of Princess House, Queen Street, Barnstaple for the sum of £2,325,000. On 31 July 2017 the Company exchanged contracts for the purchase of College Square, Margate at a value of £8,350,000. Completion is expected by 30 September 2017. On completion of the purchase of the latter property, the Company intends to drawdown a further advance from Lloyds Bank plc on similar terms to the existing borrowing.

The Company has issued 747,754 ordinary shares for a total value of £534,500.

In the period since 30 April 2017, the Company has continued to realise the residential portfolios owned by Silverdale Worldwide Limited and Ace (Barnsley) Limited in order to make funds available to purchase further commercial property.

24 Controlling party

The Company has no one controlling party.

Expected timetable of principal events

Publication of this Document	29 September 2017
Latest time and date for receipt of Form of Proxy	12 noon on 24 October 2017
Annual General Meeting	12 noon on 26 October 2017

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 2 of this Document
"**Company**"	Ace Liberty & Stone Plc
"**Annual General Meeting**" or "**AGM**"	the Annual General Meeting of the Company convened for 12 noon on 26 October 2017 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 page 6 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)

29 September 2017

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 26 October 2017.

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 2017 and the consolidated accounts of the Company and its subsidiaries for the same period, the reappointment of Keith Pankhurst and Dr Tony Ghorayeb 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 £5,000,000. 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 £98,000, i.e. up to 392,000 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 £4,902,000 which would provide for up to 19,608,000 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 2018, whichever is the earlier.

Letter from the Chairman (continued)

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 12 noon on 24 October 2017.

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.

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 12 noon on 26 October 2017 at Finsgate, 5-7 Cranwood Street, London EC1V 9EE (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 2017, 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 Keith Pankhurst, 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 Dr Tony 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.
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 £5,000,000 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 2018 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 £98,000 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 £4,902,000 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.

   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 2018 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: 29 September 2017

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. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

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 below and in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

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

   To be valid, a form of proxy and the power of attorney or other written authority, if any, under which it is signed, or an office or notarially certified copy in accordance with the Powers of Attorney Act 1971 of such power or written authority, must be delivered to Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, no later than 12 noon on 24 October 2017 (or 48 hours before the time fixed for any adjourned meeting or, in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for taking the poll at which the proxy is to attend, speak and 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).

4. 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 you on the record date will result in the proxy appointment being invalid.

5. 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.

6. Use of the proxy form 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.

7. 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 of 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 in accordance with note 10 below).

   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. The revocation notice must be received by the registrars of the Company no later than 48 hours before the time fixed for the holding of the Meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and vote.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

8. 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.

9. 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).

10. 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.

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

12. Except as provided above, members who have general queries about the Meeting should call Share Registrars Limited on 01252 2821390 (no other methods of communication will be accepted).

13. You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

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

to be held at 12 noon. on 26 October 2017 at Finsgate, 5-7 Cranwood Street, London EC1V 9EE (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 2017 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 Keith Pankhurst as a director of the Company			
Resolution 3 (Ordinary)	To re-elect Dr Tony Ghorayeb as a director of the Company			
Resolution 4 (Ordinary)	To re-appoint Jeffreys Henry LLP Chartered Accountants as auditors of the Company			
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			

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).

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

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

Name in full……….

Address………

………

Joint Holders………

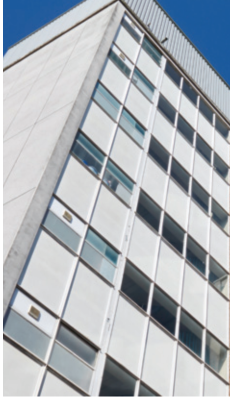
<u>**PLEASE RETURN TO THE ADDRESS PER NOTE 6 OVERLEAF**</u>

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.
2. Use of this form does not preclude a member 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.
3. 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.
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 Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, no later than 12 noon on 24 October 2017 (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).
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. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Company's register of members at 12 noon on 24 October 2017 (or in the case of adjournment 48 hours before the time of the adjourned meeting) will be entitled to attend and vote at the meeting. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.



SHILDON HOUSE


NatWest

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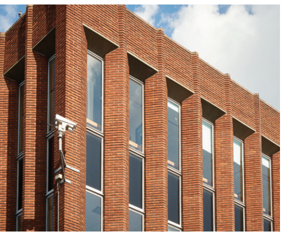


HILLCREST HOUSE


College Square
SHOPPING CENTRE

KEEP
CLEAR


HUME HOUSE
clv leeds

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