ACE LIBERTY & STONE PLC

ANNUAL REPORT 2022


FREEHOUSE
The William Jameson
FREEHOUSE
FREEHOUSE


24hr Cash


CASINO
SOAMES

Contents

Photos

The Inside Front and Inside Back Covers show the properties re-financed with Coutts & Co, as mentioned in the Chairman's Statement and elsewhere in this Report.

Inside Front
Top right and clockwise

Sunderland - Fawcett House, Fawcett Street, SR1T
Manchester - Grosvenor Casino, 35-39a George Street, M1
Margate - College Square, CT9
Gateshead - Shildon House, High Street NE8

Inside Back
Top right and clockwise

Hanley - 1-5 Upper Market Square, Hanley, ST1
Keighley - Worth Bridge Road, BD21
Middlesbrough - Longlands Road, Middlesbrough TS3
Barnstaple - Princess House, Queen Street, EX3

Highlights

- Profit before tax up 49% to £2,066,232 (FY 2021 £1,386,072)
- Lower rental income more than offset by cost reductions
- Shareholders funds up 5.6% to £33,988,485 (FY 2021 £32,196,180)
- Re-finance creates stability and opportunities for growth
- **Dividend of 3.4 p per share approved**

"With no end in sight for turbulent times, Ace is solidly prepared to assess opportunities for the benefit of shareholders"

Ismail Ghandour, CEO

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	Chief Financial Officer
	Keith Pankhurst	Senior Independent Director
	Kayssar Ghorayeb	Non-Executive Director
	Hikmat El-Rousstom	Non-Executive Director

Company Secretary: Ivan Minter FCA

Registered Number: 06223892 (England and Wales)

Registered Office:
20 St Andrew Street
London
EC4A 3AG

Bankers:
Lloyds Bank Plc
10 Gresham Street
London
EC2V 7AE

Coutts & Co
440 Strand
London
WC2R 0QS

Auditors:
Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Registrars:
Share Registrars Limited
3 The Millennium Centre
Crosby Way
Farnham
Surrey
GU9 7XX

Solicitors:
Bracher Rawlins LLP
20 St Andrew Street
London
EC4A 3AG

Spector Constant & Williams
4th Floor
75 Wells Street
London
W1T 3QH

Brokers
SP Angel
35 Maddox Street
London
W15 2PP

Environmental, Social and Governance Policy

Ace's success is evidenced by a record of steady growth and strong returns for shareholders, even in adverse economic conditions. Our risk averse policy of prudence which includes placing an emphasis on having tenants of good covenant strength, protects the business in periods of economic uncertainty.

We aim to conduct our business and manage our asset portfolio in a way that generates sustainable wealth for investors, benefits society as a whole and preserves the environment for current and future generations.

ENVIRONMENTAL

As part of our commitment to responsible stewardship of the property assets that we own and manage, we are committed to reducing any adverse environmental impact of our business and consider environmental standards an integral part of the overall business plan for each property.

- We aim to meet or exceed environmental regulations where appropriate. 100% of our portfolio already complies with current MEES (Minimum Energy Efficiency Standards) and we are striving to improve our portfolio to ensure it exceeds the current government targets for the next 10 years.

We do this by:

- Conducting an extensive environmental impact assessment for each project/acquisition.
- Considering current and future environmental issues when making investment decisions and as part of the business plan for individual properties.
- Making long-term plans to reduce the consumption of non-renewable resources in the buildings we manage and/or occupy.
- Collaborating with clients, tenants, property managers and other service providers to provide sustainable management of properties.

SOCIAL

Ace understands "social responsibility" generally to be the obligation of a company to make decisions and take actions that will enhance the welfare of its own employees and act in the interests of society as a whole.

Ace is committed to being a responsible member of the community. We will continue to pursue actions that support this commitment across the business.

- We respect human rights by avoiding investments and engagements where discriminatory practices may be employed.
- We respect diversity and equality, considering the interests of all stakeholders in our decision making.

GOVERNANCE:

Governance is an essential element of managing our business and we believe compliance contributes to the long-term performance of our organisation and assets under management.

Ace follows the provisions of the UK Corporate Governance Code (the "Code") as far as practicably possible.

We promote an ESG culture within the organisation by ensuring that responsibility is held at the highest level within the company.

We are committed to incorporating ESG issues into investment analysis and decision-making processes and to be active owners and incorporate ESG into ownership policies and practices.
We aim to be ahead of and prepared for any likely forthcoming regulation.

Chairman's Statement

I present the results for the year ended 30 April 2022 with a great sense of satisfaction. The recent trading experience of many UK companies has been fraught with difficulty, largely because of the economic consequences of the Covid-19 pandemic. To report an increase of profit before tax from £1,386,072 to £2,066,232 - a jump of 49% - is very welcome. It is even more satisfying to show that the increase derives from management decisions made during a very difficult trading period. Revenue has dropped from £6,227,124 to £5,697,850, largely because of the sale of properties, but costs have been reduced by a greater amount. Administrative expenses have been reduced from £1,406,526 to £1,291,943, largely by eliminating costs associated with properties sold; finance cost has dropped from £3,021,065 to £2,792,045, partly from the reduction of secured loans resulting from property sales and partly from completing the write off of costs of finance facilities. In addition, property sales have yielded a gain of £917,203. Profit has been reduced by a precautionary impairment of £797,576 relating to the £5,038,427 held in Lebanon pending transfer to the UK for investment.

Management's focus during recent trading periods has been on protecting the Group from the risks stemming from adverse external events and making it ready to take advantage of opportunities which will arise in future. Priority has been given to finalising the drawdown of a new secured facility to replace the facility with Lloyds which matured in November 2021. In a difficult lending market, I am pleased to report that Coutts & Co have affirmed their confidence in the Group's operations by extending a new facility; this bank is now the sole lender to the Group.

Property acquisitions have had to take second place temporarily to the longer term strengthening of the Group's position. Completion of the purchase of the property at Unit M, 9 Hunters Row, Stafford has been delayed pending the completion of the re-finance, but this can now proceed.

Ace has continued to sell the assets classified as held for sale in the balance sheet in order to improve the quality of the portfolio. The previously announced sales of the properties at Bridge House, Dudley and Hillcrest House, Leeds took place as planned and the process was completed with the sale of Willow House, Aldershot on 29 July 2022.

Reference has been made previously to the funds held in Lebanon, which were subscribed by shareholders for real estate investment. Domestic issues in the Lebanese economy have so far prevented the remittance of the whole amount to the UK, but it remains the directors' belief that these funds remain of value to the Group and will be invested when the Lebanese economy allows.

Two years ago, Ace, like many other trading companies was faced with a totally unexpected, unknown threat in the form of the Covid virus. This is now substantially under control, but new perils face us all. The war in Ukraine has disrupted all the Western economies and, together with other factors, such as disruption of international trading, has precipitated a new threat from inflation. We remain confident that our business is sound and will perform well in spite of external shocks. At the meeting which approved these accounts, the Board decided to pay a dividend of 3.4p per share, which will have been announced before the issue of this Report. This dividend is intended to recompense shareholders for the long gap since the previous dividend payments, which were paused while the Company benefited from a loan capital repayment holiday, and pave the way for a resumption of regular payments subject to profitability and cash flow.

Dr Tony Ghorayeb
Chairman
Date: 22 September 2022

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 Aquis Stock Exchange (AQSE) Apex 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 Company departs from the provision of the Code in respect of the number of independent directors. The code states *"The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business." The Code also says "At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent."*

The Board of the Company consists of three executive and four non-executive directors. The non-executive directors take no part in the day-to-day management of the Company's affairs, have no performance-related pay and provide no services to the Company. The Company therefore considers them independent, although three represent major shareholders and therefore according to the Code they would not be considered totally independent. The fourth non-executive is the Senior Independent Director.

Although no longer required under Covid-19 regulations, the Board continues to hold meetings via the internet where possible in order to save travelling costs and protect the environment.

The Board

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

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

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

Board Committees

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

Nominations

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

Audit

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

Remuneration

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

Attendance at meetings

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

	Attended		Entitled to attend	
	Full Board	*Board Committees*	*Full Board*	*Board Committees*
Dr Tony Ghorayeb	6	2	6	2
Ismail Ghandour	6	2	6	2
Mark Thomas	4	-	6	-
Kayssar Ghorayeb	6	7	6	7
Ivan Minter	6	3	6	3
Keith Pankhurst	6	5	6	5
Hikmat El-Rousstom	6	2	6	2

Corporate Governance Statement (continued)

Shareholders

At 15 September 2022, the following shareholders held more than 3% of the company's issued share capital:

	Shares of 25p	%
Dr Abdel-Karim El-Rousstom	9,737,896	16.60
Peterhouse Securities Limited	6,828,572	11.60
LiBank SAL	4,448,362	7.56
Dinama Holdings Ltd	4,201,378	7.14
Ismail Ghandour	3,716,843	6.32
Daniel Waylett	2,779,000	4.72
HSBC Global Custody Nominee UK Limited	2,353,472	4.00

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 sizeable profit.

Long term objective

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

Review of business

The Group has been active on several property transactions during the year and subsequently. Completion of the contract for the purchase of Unit M, 9 Hunters Row, Stafford has been extended to enable it to be financed under the newly-agreed finance facility negotiated with Coutts & Co. The sales of the properties in Leeds and Dudley, which have been carried in the balance sheet as assets held for sale were completed on 7 October 2021. The sale of Oscar Court, London SW3 was completed on 29 April 2022. The sale of the last remaining asset held for sale, Willow House, Aldershot, was completed on 29 July 2022.

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 2022 they are summarised on the following pages headed Key Performance Indicators.

Principal risks and uncertainties

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

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

The Group is exposed to interest rate risk. Due to the quality of its portfolio, the Company is able to borrow at low margins, but does not expect to benefit from the exceptionally low interest rates enjoyed during the past few years. The directors mitigate this risk by putting in place hedging instruments for protection against future interest rate rises. At year end the existing Coutts facility was hedged 75%. There was no hedging in place against the existing Lloyds facility as this was due for repayment. Future returns on acquisitions are evaluated projecting higher than current rates.

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

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

The investment In LiBank S.A.L ("LiBank") is classed as Tier 1 Capital in the bank's risk assessment and therefore there is a risk that part, or all, of this investment is used to absorb LiBank operational losses. The investment is perpetual therefore the repayment of the principal is uncertain.

Brexit

The Group has invested solely in property in England. It has no currency exposure and its business has been unaffected by the United Kingdom leaving the European Union. The Group considered in advance the effect of Brexit on its tenants and could see no reason why their businesses should be adversely affected. This expectation has been entirely fulfilled following the exit of the UK from the EU. In note 4 of the Financial Statements, the Group discloses information on its tenants, of which 49% are UK national and local government entities. The Group's industrial and commercial tenants consist almost entirely of banks, building societies, manufacturers and retailers of essential domestic supplies.

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

The consequences of Brexit affect the national economy and the Company shares exposure to any risks generated in the same way as any other UK trading company.

COVID-19

This affects the Group in a number of ways.

Effect on tenants

Some tenants' businesses were adversely affected by the Covid pandemic, but none failed. One was restructured under the terms of a CVA, but continued trading. Where agreements were made to temporarily defer rent, the arrears were all collected by the balance sheet date. Normal management of the Group's portfolio has resumed and Covid 19 is no longer an issue.

Strategic Report (continued)

Ownership of properties

Compliance with social distancing provisions imposed a burden on property owners and occupiers during the pandemic. All the Group's leases are on a full repairing and insuring basis placing the full cost of compliance on the tenant.

Employer of staff

The temporary working practices required by compliance with lockdown regulations have now been discontinued. Employees and directors are required by their contracts to work in the office and this is where the bulk of their duties are performed. In accordance with changes in working practices generally, and to comply with good practice, it is expected that employees will on occasions be able to carry out some of their duties from home.

Future developments

The Company's management constantly monitors opportunities to sell properties where this offers a profit to the Group and is in line with strategic objectives. Some properties fall within the IFRS definition of assets held for sale and are designated accordingly in the balance sheet. Regardless of category, sale opportunities are assessed on merit; a number of transactions are currently being considered and will be announced at the appropriate time.

The directors monitor economic developments. to ensure the Group is well placed to take advantage of opportunities which may arise.

The directors will continue the same investment policies which have been successful since its listing with the intention of continuing to increase the Group's assets in the future.

The Strategic Report was approved by the Board on 22 September 2022 and signed on its behalf by:

Ivan Minter

Director

Key Performance Indicators

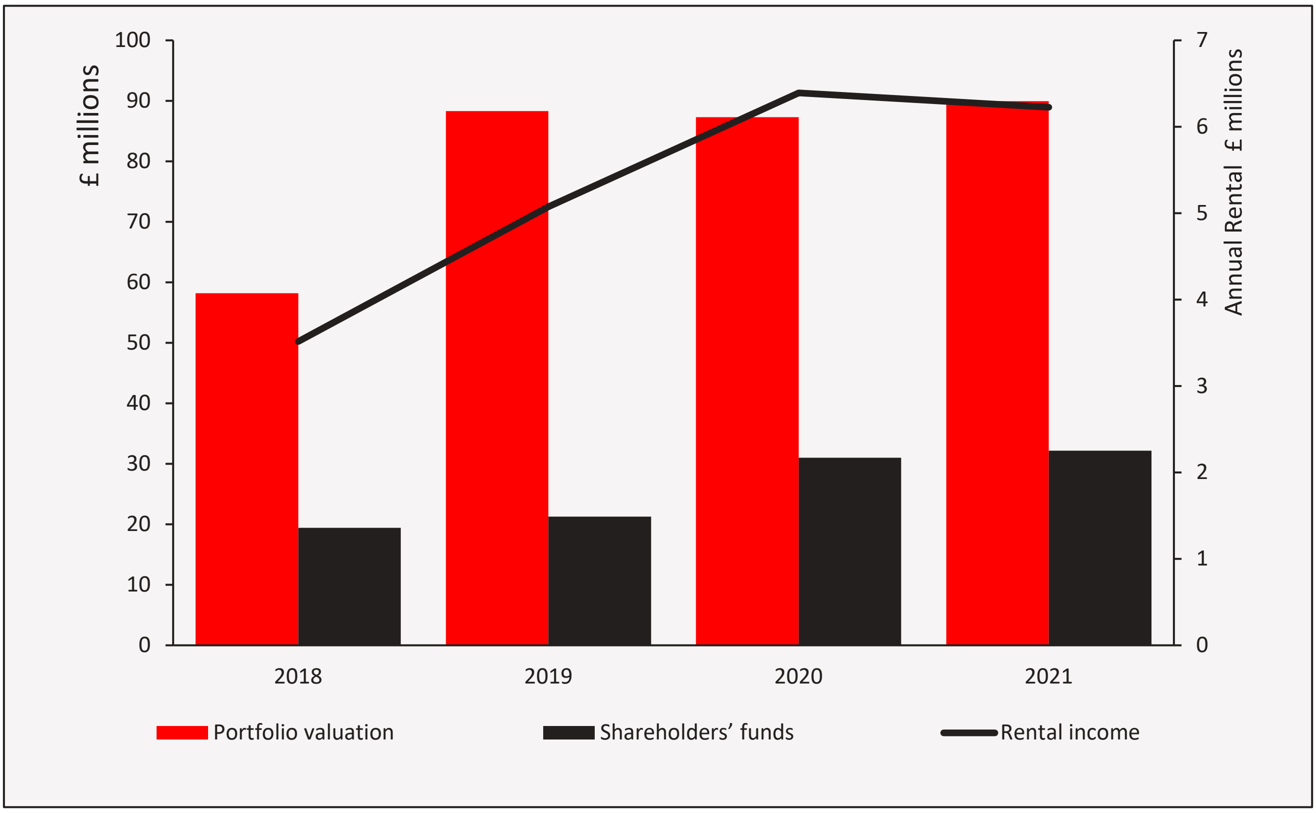
The board monitors the following data which it considers appropriate to share with shareholders to generate a better understanding of the business.

	2018	2019 Restated	At 30 April 2020 Restated	2021	2022
	£	£	£	£	£
Property portfolio	58,221,866	88,323,017	87,318,017	89,936,560	77,350,343
Shareholders' funds	19,439,335	21,259,843	30,986,132	32,196,180	33,988,485
Rental income for year	3,515,088	5,072,435	6,391,897	6,227,124	5,697,850
Profit/ (Loss) after tax	361,295	855,530	(630,573)	1,210,048	1,296,805
Portfolio total passing rent	3,960,279	6,477,438	6,566,740	6,926,440	5,230,320
	%	%	%	%	%
Loan to value	49.21	52.02	53.35	52.99	46.17
	years	years	years	years	years
Weighted average unexpired lease to break (WAULB)	9.60	8.72	8.00	7.50	6.93

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

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

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



Key Performance Indicators (continued)

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

	Year ended 30 April				
	2018	2019 Restated	2020 Restated	2021	2022
	£	£	£	£	£
Rental income	3,515,088	5,072,435	6,391,897	6,227,124	5,697,850
Interest on secured property loans	(829,351)	(1,445,218)	(1,794,056)	(1,673,177)	(1,485,295)
Property management	(140,065)	(39,687)	(56,376)	(85,155)	(75,760)
Gross contribution	2,545,672	3,587,530	4,541,465	4,468,792	4,136,795
Recurring overheads	(782,411)	(872,735)	(856,173)	(915,609)	(1,087,411)
Net interest	(708,751)	(1,046,926)	(1,397,715)	(926,384)	(1,001,417)
Profit for period	1,054,510	1,667,869	2,287,577	2,626,799	2,047,967
Non recurring income and overheads	(840,369)	(819,093)	(3,029,263)	(1,240,727)	18,265
Profit / (Loss) before tax	214,141	848,776	(741,686)	1,386,072	2,066,232

This table is a re-analysis of the statutory Income and Expenditure Account and contains the same information – as can be seen from the identical values for Rental income and Profit before tax.

This layout embodies the information used by management to monitor the portfolio's performance and evaluate new acquisitions. Key decisions revolve around the contribution of a property after paying interest on the secured loan required to finance its purchase.

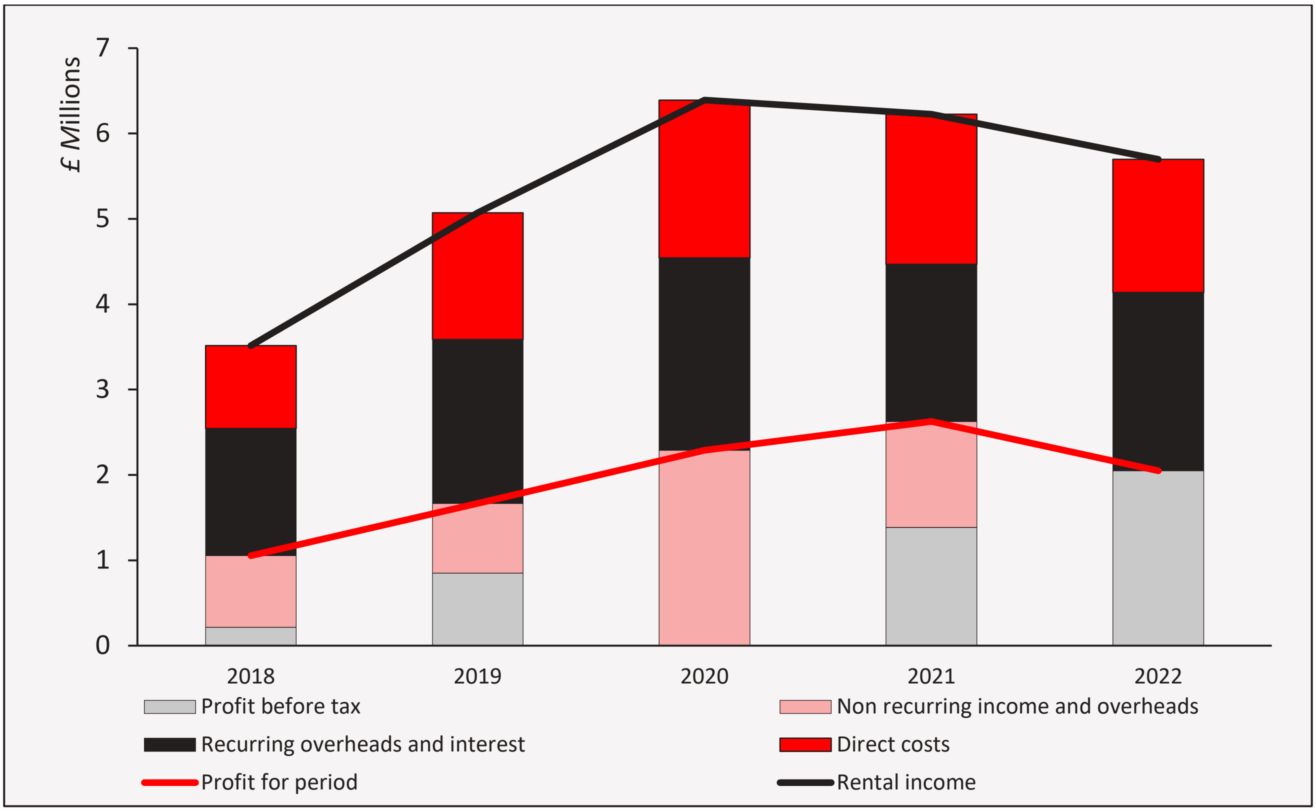
Property management costs largely relate to the residential properties which have largely been disposed of. Hence the declining trend over the five-year period.

The split of overheads is self-explanatory. Recurring overheads relate mainly to directors' salaries and fees, legal and professional fees, and costs of compliance and regulation. Non-recurring overheads relate to costs of arranging finance, professional fees for property development and the costs of selling properties. In the current year the LiBank investment impairment charge of £797,576 is the largest individual item.

Net interest is the cost of general finance facilities (not specifically secured on properties) for the company.

The profits from property sales are included with the non-recurring costs.

This format enables the ongoing performance of the portfolio to be separated from non-recurring events and provides a reliable guide to future performance. This is valuable because of the group's rapid expansion over the past five years.



Directors' Report

The directors present their report with the audited consolidated financial statements for the year ended 30 April 2022.

Dividends

The directors declared no dividends for the year ended 30 April 2022. (2021: £nil)

Directors

The following directors have held office since 1 May 2021:

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

Going concern

The directors 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.

In assessing the financial projections, the company considered a conservative base case scenario along with a downside scenario which further stressed the cashflow forecast. The key assumptions considered include;

- The impact of the refinancing whereby the existing Lloyds facility will be replaced with a new facility from Coutts secured on the same properties.
- The repayment of the £10 million CLN due to expire in May 2023
- The repayment of the £1 million shareholder loan due to expire in June 2023

The Group held a secured facility with Lloyds bank plc which expired in November 2021. In order to facilitate the refinancing of the loan, a six month extension to May 2022 was agreed with Lloyds followed by two further extensions to August 2022 and November 2022. The refinancing with Coutts & Co. completed on 22 September 2022. The new facility of £22,027,500 was utilised to repay the Lloyds loan which stood at £15,589,151 at balance sheet date. The balance of approximately £6 million is available to the company as increased working capital. See note 19 for further detail.

The Group has ongoing, long-term relationships with the holders of the £10 million CLN and the £1 million loan and believes that the lenders will continue to view their participation in the Group as a well-positioned investment throughout the period. However, under the going concern assessment the company has assumed that both of these loans will be settled in full on expiry.

Following the refinancing outlined above, there is sufficient working capital available to settle the £1 million loan on expiry.

Existing working capital will not be available to settle the £10 million CLN in full and this creates material uncertainty that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. The Financial Statements do not include any adjustments that would arise if the Group and Parent Company were unable to continue as a going concern.

However, under the terms of the CLN agreement, the company has the option to settle any repayment request either in cash or by sale of properties owned by the group to the note holder at an agreed price. The contracted property prices would allow settlement of the CLN debt together with the secured bank debt against the properties with no further cash injection required by the company. With a strong portfolio of assets the company also has the option to sell properties on the open market in order to settle the loan in cash if so preferred.

During the year there was a breach in the LTV covenant on the Lloyds facility following an external valuation process undertaken by Lloyds. Under the terms of the extension agreement Lloyds provided a waiver to this covenant breach and no financial penalty was incurred.

The investment in LiBank is treated as a long-term loan and has therefore has not been included in the Going Concern assessment. However, it remains the company's intention to use these funds for investment once circumstances allow. See note 14 for further detail.

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 7 July, £250,000 was repaid in settlement of the 5% convertible loan notes. On 13 July, £75,000 was repaid in settlement of the 5% convertible loan note. The interest due on the loan notes was settled via shares issued at £1.00 per share. The remaining balance of the convertible loan notes is £50,000.

The sale of Willow House, Aldershot which was held for sale at year end completed on 29 July 2022 at a sale price of £850,000.

A new loan facility with Coutts completed on 22 September 2022. Upon drawdown, the existing facility with Lloyds was repaid which had a balance of £15,589,151 at year end.

A dividend of 3.4p per share is to be paid to shareholders on 21 October 2022.

Companies Act S.172

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

- the likely consequences of any decision in the long term. The Group's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the strategic report and the key performance indicators.
- the interests of the Company's employees. Our employees are fundamental to us achieving our long-term strategic objectives. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. Further details can be found under Remuneration in the Corporate Governance Report.
- the impact of the Company's operations on the community and the environment. The Group operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can minimise this. We believe our purpose not only relates to our buildings, but also to the people who live and work in them and their vicinity and how we can contribute to the wider community through employment opportunities and enhancing the built environment.

Directors' Report (continued)

Companies Act S.172 (continued)

- the desirability of the Company maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance. Not only is this covered in our Corporate Governance Statement on page 4, but is also epitomised in our risk management objectives and policies in note 23.2.
- the need to act fairly as between members of the Company. Our intention is to behave responsibly towards our shareholders and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives. Our investors rely on us to allocate their capital wisely, deliver robust financial performance that generates a return on their investment incorporating both income and capital growth within an environment that mitigates risk and ensures sound governance.

Statement of directors' responsibilities

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

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law and the rules of AQUIS to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union 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 UK adopted IFRSs and for the Company financial statements state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Ace Liberty & Stone plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation 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 22 September 2022 and signed on its behalf by:

Ivan Minter
Director

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

Opinion

We have audited the financial statements of Ace Liberty & Stone Plc (the 'Parent Company' or 'Company') and its subsidiaries (the 'Group') for the year ended 30 April 2022 which comprise the consolidated statement of income, the consolidated and company statement of financial position, the consolidated and company statement of cash flows, the consolidated and company statements of changes in equity and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the United Kingdom. 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.

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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 3 in the Financial Statements, which explains that the Group had a bank covenant breach during the year to 30 April 2022; and, has certain loans that are due to expire in the next 12 months. A GBP 10 Million CLN is due to expire in May 2023 and a GBP 1 Million loan repayment to a shareholder is due to expire in June 2023. These events or conditions, along with the other matters as set out in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We evaluated the suitability of management's model for the forecast in relation to the going concern assessment. The forecast includes a number of assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period and ensuring that all key matters are correctly disclosed in Note 3.

Specifically, we obtained, challenged and assessed management's going concern forecast and performed procedures including: verified the consistency of key inputs and fund raisers relating to future costs to other financial and operational information obtained during the audit; assessed the reasonableness of future sales, revenues, expenses and costs; reviewed the latest management accounts to gauge the financial position; performed stress tests; reviewed the financing options available to the Group to evaluate the ability of the Group to pay their debts as they become due. Finally, we also evaluated the alternative measures that might be necessary should the forecast not be achieved.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's ability to continue as a going concern. We have checked that the refinancing with Coutts & Co has completed before issuing our audit report.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty paragraph relating to the going concern, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Carrying value of investment property The Group had investment property of GBP 76,500,343 at the year-end (2021: GBP 79,706,639). The value of investment properties is key to the Group as they impact upon the Group's compliance with loan covenants. Investment properties are held at fair value which represents a significant area of management judgement.	We reviewed the recognition, capitalisation and fair valuation of investment properties in conjunction with IAS 40 Investment Property and IFRS 13 Fair Value Measurement. We assessed the competence, capabilities, qualifications and objectivity of the external independent valuers employed by the Group. We have critically evaluated management's methodologies in reviewing valuations and their adjustments of the fair values of investment properties. We consider the value of investment properties used in the accounts to be reasonable.
Convertible loan notes The Group had convertible loan notes with a liability component at the end of the year of GBP 10,291,491 (2021: GBP 10,559,814). The outstanding convertible loan notes at 30 April 2022 was GBP 10,375,000 and is further discussed in note 20. We have identified the valuation and accounting treatment of convertible loans as a key audit matter because both are complex areas and require the use of estimates. The separation of the debt element from the equity element of a convertible loan involves a significant degree of judgement and is therefore subject to an inherent risk of error.	We inspected board minutes and other appropriate documentation to confirm that the transactions were appropriately authorised. We verified amounts, interest rates and maturities to the supporting documentation and examined the terms and conditions of the loan notes. We reviewed the reasonableness of the market rate of interest used in calculating the effective interest charge. We tested and reperformed the calculations carried out to split the convertible loans into equity and debt elements. We consider the accounting for this and the final balance of the convertible loan notes to be reasonable.
Valuation of investments The Company has multiple investments both subsidiary and non-subsidiary. Management are required to assess the investment in subsidiaries at the end of each reporting period for impairment. This assessment is considered highly judgemental. Investment in non-subsidiaries are held at fair value which represent a significant area of management judgement.	We reviewed the investments of any sign of impairment and separately tested for impairment based on a comparison of net assets of companies to the value of the investments. We consider the value of investment used in the accounts to be reasonable.
Valuation of investment in Lebanon The Company has an investment of GBP 5 Million with LIbank S.A.L. in Lebanon (2021: GBP 5Million). Further description of matters relating to this investment are disclosed in note 14. The loan to the bank bears no interest and the bank has the option to transfer the Cash Contribution to Capital. The Directors hold the investment at amortised cost and have considered whether impairment is appropriate but have not applied any impairment to the investment.	We have discussed the position of the investment with management and looked at the evidence provided to us and the decision by the Parent Company Directors to convert the deposit with the Lebanese bank from cash deposit to a Cash Contribution to Capital. We have looked at the workings for the calculation of the amortised cost which uses a discount rate of 9% and the corresponding adjustment to fair value at 30 April 2022. We challenged the assumptions for impairment and considered the approach being taken by the Directors on the investment. We consider the approach used in these accounts to be reasonable.

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

Our application of materiality

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

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

	Group financial statements	Company financial statements
Overall materiality	GBP 845,000 (2021: GBP 997,000).	Specific GBP 146,500 (2021: GBP 175,000).
How we determined it	Overall: 1% of net assets Specific: 5% of net profits	Overall: 1% of net assets limited by Group materiality Specific: 5% of net profits/loss before intercompany charges, limited by company materiality.
Rationale for benchmark applied	We believe that net assets are the primary measures used by shareholders in assessing the Group's performance. This materiality was used for all accounts balances not related to investment properties or loans and borrowings. A lower materiality threshold was used for other balances as we considered there to be a lower threshold where misstatement could influence the users of the financial statements.	We believe that net assets are the primary measures used by shareholders in assessing the Company's performance. This materiality was used for all accounts balances not related to loans and borrowings. A lower materiality threshold was used for other balances as we considered there to be a lower threshold where misstatement could influence the users of the financial statements.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components is ranged from GBP 1,000 and GBP 343,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above GBP 42,500 (Group audit) (2021: GBP 50,000) and GBP 7,000 (Company audit) (2021: GBP 8,600) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

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

The Group financial statements are a consolidation of [fifteen] reporting units, comprising the Group's operating businesses and holding companies. We performed audits of the complete financial information of Ace Liberty & Stone Plc, Ace (Manchester) Limited, Ace (Hulme) Limited, Ace (Sunderland) Limited, Ace (Barnsley) Limited, Ace (Gateshead) Limited, Ace (Plymouth) Limited, Ace (Hanley) Limited, Ace (Management) Limited, Ace (Luton) Limited, Ace (Keighley) Limited, Ace (North) Limited and Ace (EBT) Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenues and 84% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over certain account balances and transaction classes that we regarded to be material to the Group at three further reporting units, one based in The British Virgin Islands and another in British Anguilla. During the year the Group disposed of three UK subsidiaries and audit work up to the date of disposal were performed for Ace (Leeds) Limited, Ace (Dudley) Limited and Ace (Chelsea) Limited. The Parent Company's investments are further discussed in note 14.

The Group engagement team performed all audit procedures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
    - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
    - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2.6 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
    - agreeing financial statement disclosures to underlying supporting documentation;
    - reading the minutes of meetings of those charged with governance;
    - enquiring of management as to actual and potential litigation and claims; and
    - reviewing correspondence with HMRC and the group's legal advisors.

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

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *http://www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Use of this report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters that 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, or the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sachin Ramaiya
Senior Statutory Auditor

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

Finsgate 5-7 Cranwood Street
London EC1V 9EE

Dated: 22 September 2022

ACE LIBERTY & STONE PLC


1 78-82 English Street, Carlisle


2 Shildon House, Gateshead


3 Fawcett House, Sunderland


17 52 Black Horse St, Bolton


18 Worth Bridge Road, Keighley


4 Gala Bingo, Middlesbrough

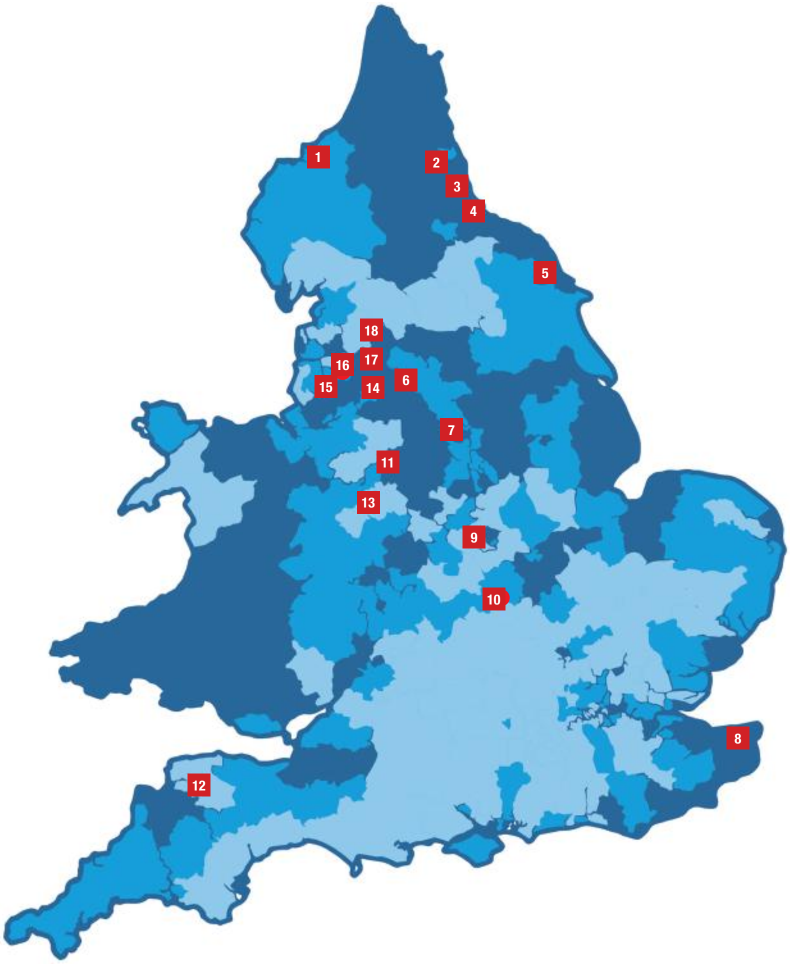

4 James Cook House, Middlesbrough


16 Brocol House, Wigan


15 Nolan House, Warrington


14 Grosvenor Casino, Manchester


13 9 Hunters Row, Stafford




5 16 - 17 Westborough, Scarborough


6 Tweedale House, Oldham


7 Mecca Bingo, Chesterfield


8 College Square, Margate


12 Princess House, Barnstaple


11 1-5 Upper Market Square, Hanley


10 Frances House, Northampton


9 Princes Court, Leicester

Levelling up fund index priority category by local authority High 1 2 3 Low

Consolidated Statement of Comprehensive Income for the year ended 30 April 2022

	Notes	2022 £	2021 £
Revenue	4	5,697,850	6,227,124
Gain on disposal of investment property		917,203	-
Administrative expenses	5	(1,291,943)	(1,406,526)
Fair value gain / (loss) on investment property	13	193,704	(500,000)
Fair value loss on investments	14	(797,576)	-
Fair value loss on assets held for sale	15	(200,000)	(200,000)
Loss on disposal of subsidiaries		(412,382)	-
Finance cost	6	(2,792,045)	(3,021,065)
Finance income	7	751,421	286,539
Profit before taxation	8	**2,066,232**	**1,386,072**
Taxation	11	(769,427)	(176,024)
Profit after taxation		**1,296,805**	**1,210,048**
Other comprehensive income – release of equity proportion of CLNs	20	202,302	8,883
Total comprehensive income for the period		**1,499,107**	**1,218,931**
Attributable to:			
Owners of the parent		**1,499,107**	**1,218,931**
Earnings per share on continuing activities		**Pence**	**Pence**
Basic earnings per share attributable to equity owners of the parent	12	2.55	2.08
Diluted earnings per share attributable to equity owners of the parent	12	2.03	1.64

Consolidated and Company Statement of Financial Position at 30 April 2022

		Group		Company	
		2022	2021	2022	2021
ASSETS	***Notes***	**£**	**£**	**£**	**£**
Non-current assets					
Investment property	13	76,500,343	*79,706,639*	-	-
Investments	14	4,240,851	*5,000,680*	5,092,106	*6,459.395*
Other receivables	16	-	-	-	-
Deferred tax	11	186,738	*223,541*	-	-
Derivative financial instrument	19	326,651	-	-	-
		81,254,583	*84,930,860*	5,092,106	*6,459,395*
Current assets					
Assets held for sale	15	850,000	*10,229,921*	-	-
Trade and other receivables	16	533,079	*1,347,471*	55,933,988	*62,637,115*
Cash and cash equivalents		2,245,873	*2,913,363*	1,788,829	*2,834,610*
		3,628,952	*14,490,755*	57,722,817	*65,471,725*
TOTAL ASSETS		**84,883,535**	***99,421,615***	**62,814,923**	***71,931,120***
EQUITY AND LIABILITIES					
Current liabilities					
Liabilities relating to assets held for sale	17	-	*1,272,313*	-	-
Trade and other payables	18	3,072,567	*7,311,567*	2,097,702	*2,958,761*
Taxation		953,280	*458,542*	427,088	*134,010*
Borrowings	19	17,644,125	*37,716,654*	26,880,642	*36,948,704*
Derivative financial instrument	19	-	*77,601*	-	*77,601*
Deferred tax	11	-	*83,487*	-	-
		21,669,972	*46,920,164*	29,405,432	*40,119,076*
Non-current liabilities					
Borrowings	19	29,225,078	*19,958,927*	-	-
Derivative financial instrument	19	-	*346,344*	-	-
		29,225,078	*20,305,271*	-	-
Share capital	21	14,711,713	*14,626,463*	14,711,713	*14,626,463*
Share premium		16,975,362	*16,773,712*	16,975,362	*16,773,712*
Other reserve		208,600	*202,302*	208,600	*202,302*
Treasury shares	22	(480,620)	*(480,620)*	-	-
Retained earnings		2,573,430	*1,074,323*	1,513,816	*209,567*
Total equity		33,988,485	*32,196,180*	33,409,491	*31,812,044*
TOTAL EQUITY AND LIABILITIES		**84,883,535**	***99,421,615***	**62,814,923**	***71,931,120***

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 total comprehensive income is £1,304,249 (2021: £77,395).

The financial statements were approved and authorised for issue by the Board on 22 September 2022 and signed on its behalf by:

Ivan Minter
Director
Company Registration number: 06223892

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Other reserve £	Treasury shares £	Retained earnings £	Total equity £
Balance at 30 April 2020	*14,626,463*	*16,773,712*	*211,185*	*(480,620)*	*(144,608)*	*30,986,132*
Total comprehensive income for the year						
Profit for the year	-	-	-	-	*1,210,048*	*1,210,048*
Other comprehensive income (note 20)	-	-	-	-	*8,883*	*8,883*
	-	-	-	-	*1,218,931*	*1,218,931*
Transactions with owners						
Value of conversion rights on convertible notes	-	-	*(8,883)*	-	-	*(8,883)*
Dividend on ordinary shares	-	-	-	-	-	-
	-	-	*(8,883)*	-	-	*(8,883)*
Balance at 30 April 2021	*14,626,463*	*16,773,712*	*202,302*	*(480,620)*	*1,074,323*	*32,196,180*
Total comprehensive income for the year						
Profit for the year	-	-	-	-	1,296,805	1,296,805
Other comprehensive income (note20)	-	-	-	-	202,302	202,302
	-	-	-	-	1,499,107	1,499,107
Transactions with owners						
Shares issued during the year	85,250	201,650	-	-	-	286,900
Value of conversion rights on convertible notes	-	-	(202,302)	-	-	(202,302)
Equity element of new issue on convertible notes	-	-	208,600	-	-	208,600
	85,250	201,650	6,298	-	-	293,198
Balance at 30 April 2022	**14,711,713**	**16,975,362**	**208,600**	**(480,620)**	**2,573,430**	**33,988,485**

Company Statement of Changes in Equity

	Share capital £	Share premium £	Other reserve £	Retained earnings £	Total equity £
Balance at 30 April 2020	*14,626,463*	*16,773,712*	*211,185*	*132,172*	*31,743,532*
Total comprehensive income for the year					
Loss for the year (restated)	-	-	-	*(1,231,488)*	*(1,231,488)*
Other comprehensive income (note 20)	-	-	-	*8,883*	*8,883*
Dividends from subsidiaries	-	-	-	*1,300,000*	*1,300,000*
	-	-	-	*77,395*	*77,395*
Transactions with owners					
Shares issued during the year	-	-	-	-	-
Value of conversion rights on convertible notes	-	-	*(8,883)*	-	*(8,883)*
Exercise of options	-	-	-	-	-
Dividend on ordinary shares	-	-	-	-	-
	-	-	*(8,883)*	-	*(8,883)*
Balance at 30 April 2021	*14,626,463*	*16,773,712*	*202,302*	*209,567*	*31,812,044*
Total comprehensive income for the year					
Loss for the year	-	-	-	(748,053)	(748,053)
Other comprehensive income (note 20)	-	-	-	202,302	202,302
Dividends from subsidiaries	-	-	-	1,850,000	1,850,000
	-	-	-	1,304,249	1,304,249
Transactions with owners					
Shares issued during the year	85,250	201,650	-	-	286,900
Value of conversion rights on convertible notes	-	-	(202,302)	-	(202,302)
Equity element of new issue on convertible notes	-	-	208,600	-	208,600
Dividend on ordinary shares	-	-	-	-	-
	85,250	201,650	6,298	-	293,198
Balance as at 30 April 2022	**14,711,713**	**16,975,362**	**208,600**	**1,513,816**	**33,409,491**

Consolidated Statement of Cash Flows

	2022	2021
	£	£
Profit before tax	2,066,232	*1,386,072*
Cash flow from operating activities		
Adjustments for:		
Finance income	(751,421)	*(286,539)*
Finance costs	2,792,045	*3,021,065*
Gain on disposal of investment property	(917,203)	-
Fair value adjustment	803,872	*700,000*
Loss on disposal of subsidiaries	412,382	-
Increase in receivables	200,258	*(257,448)*
Decrease in payables	(1,789,890)	*776,239*
Tax paid	(189,720)	*(4,936)*
Interest paid	(2,050,999)	*(2,617,709)*
Other finance costs paid	(39,469)	*(17,800)*
Net cash generated by operating activities	536,087	*2,698,944*
Cash flows from investing activities		
Interest received	825	*49,359*
Purchase of investment properties	-	*(3,619,918)*
Sale of investment properties	4,317,203	*500,000*
Sale of subsidiaries	5,067,061	-
Investment into LiBank	(37,747)	*(5,000,680)*
Net cash (used) / generated by investing activities	9,347,342	*(8,071,239)*
Cash flows from financing activities		
Share issue, net of issue costs	-	-
Long term loans advanced	-	*1,525,000*
Long term loans repaid	(761,950)	*(372,300)*
Short term loans repaid	(9,788,969)	*(300,000)*
Equity dividend paid	-	-
Net cash (used) / generated by financing activities	(10,550,919)	*852,700*
Net (decrease) in cash and cash equivalents	**(667,490)**	*(4,519,595)*
Cash and cash equivalents at the beginning of the period	2,913,363	*7,432,958*
Cash and cash equivalents at the end of the period	**2,245,873**	*2,913,363*

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 AQSE Apex Market stock exchange in the United Kingdom. The Group's principal activity is that of property investment.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not produced the Company's individual profit and loss account. Company total comprehensive income is £1,304,249 (2021: £77,395).

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 United Kingdom adopted International Financial Reporting Standards (IFRS), 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 United Kingdom adopted International Financial Reporting Standards ("IFRS"), amended where necessary in order to comply with Companies Act 2006. The Company has notified shareholders of this disclosure.

Compliance with FRS 101

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

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

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

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

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

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

2.2 Standards, amendments and interpretations to published standards

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning 1 May 2021 that would be expected to have a material impact on the Group. The new IFRSs adopted during the year are as follows:

- IFRS 16 – Leases (amendments)

The following new standards amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 May 2021 and have not been early adopted. The Directors anticipate that the adoption of these standard and the interpretations in future periods will have no material impact on the financial statements of the Group.

The new standards include:

IAS 16	Property, Plant & Equipment (amendments) 1
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (amendments) 1
IFRS 3	Business combination (amendments) 1
IFRS 17	Insurance contracts 2
IAS 1	Presentation of Financial Statements (amendments) 2
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (amendments) 2
IAS 12	Income Taxes (amendments) 2

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023

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 2022. 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.

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

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

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

2.4 Foreign currency

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

2.5 Cash and Cash Equivalents

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

2.6 Key accounting estimates and judgements

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

The most significant estimates made in preparing these accounts relate to the valuation of the Group's investment properties. The fair value of the investment property is determined by the directors with reference to independent property valuation experts to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards ("Red Book Global") which was published in November 2021 and came into effect on January 2022. Factors reflected include current market conditions, annual rentals, lease length and location.

The fair value of the derivative financial instruments is established with reference to the lending counter-party valuations which use valuation techniques commonly used by market participants, which include the use of discounted cash flow analysis and estimated future interest rates. In calculating the equity component of the Convertible Loan Notes, using the effective interest method, an interest rate is required. The rate used is one that would be offered to the Company at arm's length and with similar debt characteristics.
The fair value of the investment in shares in LiBank would use unobservable inputs and the best information available at each reporting date. The Directors would have to exercise judgement when calculating the fair value.

2.7 Taxation

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

2.8 Deferred tax

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements (continued)

2.8 Deferred tax (continued)

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.

2.9 Revenue recognition

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

The Group's properties are all let on Full Repairing and Insuring terms, making the tenant liable for all repairs and servicing. Where a property has multiple tenants, the appropriate subsidiary company acts as agent for the tenants in settlement of such costs. The Group bears the costs of vacant premises when this arises.
The directors consider that revenue generation relates exclusively to rental income in the UK and so no further segmentation is required.

2.10 Finance income and cost

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

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

2.11 Investment property

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

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

2.12 Investments

Investments comprises of shares in private companies and a loan investment to LiBank held as a Cash Contribution to Capital. As the loan requires no interest or principal payments it is classed as investment on the Group balance sheet.
The Cash Contribution to Capital is held at amortised cost calculated using a discounted cashflow calculation. The discount rate applied is based on the interest rate that would be offered to the Company on an arm's length transaction with similar debt characteristics.
The share investments have been classified as fair value through other comprehensive income at inception. They are initially recognised at fair value with any changes to the fair value recognised in other comprehensive income and accumulated in a separate reserve in equity. The equity investments are not held for trading and are strategic investments therefore the Company considers this classification to be more relevant.

2.13 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.

2.14 Derivative financial instruments

The Group uses interest swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.
Although management considers interest swaps to be commercially effective hedging, they do not meet with the criteria with the definition of effective cash flow hedges under IFRS 9 and therefore all movements in fair value go through the Group Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements (continued)

2.15 Convertible Loans

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

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

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

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

2.16 Financial instruments

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

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

Financial assets at amortised cost

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

Impairment of trade and other receivables

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

Financial liabilities at amortised cost

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

Financial assets at fair value through profit and loss

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

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

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

2.17 Leases

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

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

There are currently no assets held under lease.

Notes to the Consolidated Financial Statements (continued)

2.18 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants have been recognised as sundry income and included in Administrative expenses in the Statement of Comprehensive Income (see Note 5).

3 Going concern

The directors 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.
In assessing the financial projections, the company considered a conservative base case scenario along with a downside scenario which further stressed the cashflow forecast. The key assumptions considered include;

- The impact of the refinancing whereby the existing Lloyds facility will be replaced with a new facility from Coutts secured on the same properties.
- The repayment of the £10 million CLN due to expire in May 2023
- The repayment of the £1 million shareholder loan due to expire in June 2023

The Group held a secured facility with Lloyds bank plc which expired in November 2021. In order to facilitate the refinancing of the loan, a six month extension to May 2022 was agreed with Lloyds followed by two further extensions to August 2022 and November 2022. The refinancing with Coutts & Co. completed on 22 September 2022. The new facility of £22,027,500 was utilised to repay the Lloyds loan which stood at £15,589,151 at balance sheet date. The balance of approximately £6 million is available to the company as increased working capital. See note 19 for further detail.

The Group has ongoing, long-term relationships with the holders of the £10 million CLN and the £1 million loan and believes that the lenders will continue to view their participation in the Group as a well-positioned investment throughout the period. However, under the going concern assessment the company has assumed that both of these loans will be settled in full on expiry.

Following the refinancing outlined above, there is sufficient working capital available to settle the £1 million loan on expiry.

Existing working capital will not be available to settle the £10 million CLN in full and this creates material uncertainty that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. The Financial Statements do not include any adjustments that would arise if the Group and Parent Company were unable to continue as a going concern.

However, under the terms of the CLN agreement, the company has the option to settle any repayment request either in cash or by sale of properties owned by the group to the note holder at an agreed price. The contracted property prices would allow settlement of the CLN debt together with the secured bank debt against the properties with no further cash injection required by the company. With a strong portfolio of assets, the company also has the option to sell properties on the open market in order to settle the loan in cash if so preferred.

During the year there was a breach in the LTV covenant on the Lloyds facility following an external valuation process undertaken by Lloyds. Under the terms of the extension agreement Lloyds provided a waiver to this covenant breach and no financial penalty was incurred.

The investment in LiBank is treated as a long-term loan and has therefore has not been included in the Going Concern assessment. However, it remains the company's intention to use these funds for investment once circumstances allow. See note 14 for further detail.

	Group	
	2022	**2021**
4 Revenue	**£**	**£**
Revenue comprises the following		
Rental income	5,697,850	*6,227,124*
The Group's aggregate minimum future lease receipts at current annual rents are as follows:		
Up to one year	5,331,025	*5,726,733*
More than one year but less than five years	18,447,831	*19,694,912*
More than five years	14,009,429	*18,614,994*
	37,788,285	*44,036,639*

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

The Company interprets IFRS 8.34 to mean that revenue derived from separate UK Government Departments should be considered as deriving from one customer. This comprises 49% (2021: 48%) of the Group's income at the date of this report. Major industrial and commercial companies represent 49% (2021: 43%). 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

Directors' fees	527,000	*469,000*
Directors' National Insurance	59,626	*53,632*
Staff costs	148,853	*78,542*
Operating expenses of investment properties	75,760	*101,616*
Legal and professional fees	406,120	*295,362*
Other costs	85,996	*505,684*
Sundry income	(11,412)	*(97,310)*
	1,291,943	*1,406,526*

Other costs include £38,000 *(2021: £38,000)* for lease costs exempt from capitalisation as they are considered short term leases.

Notes to the Consolidated Financial Statements (continued)

	Group	
	2022	2021
6 Finance cost	£	£
Bank interest	1,485,295	*1,673,177*
Convertible loan interest	893,917	*568,120*
Change in fair value of derivative financial instruments	-	-
Other loan interest	108,325	*107,622*
Other finance costs	304,508	*672,146*
	2,792,045	*3,021,065*

7 Finance income		
Bank and other interest	825	*49,358*
Change in fair value of derivative financial instruments	750,596	*237,181*
	751,421	*286,539*

8 Profit before tax		
Profit before tax is stated after charging / (crediting) the following:		
Operating lease rentals – land and buildings	38,000	*38,000*
Auditors' remuneration:		
Audit of parent and consolidation	40,000	*37,000*
Audit of subsidiaries	9,250	*13,000*
Other services – tax compliance	24,380	*21,325*
Total fees payable to the auditor	73,630	*71,325*

	Group and Company	
	2022	2021
9 Staff Costs	£	£
During the year, the Company employed two employees *(2021: two)* who worked in a financial capacity for the year.		
Salary	131,900	*70,400*
Pension	2,456	*1,457*
Social security costs	14,497	*6,685*
	148,853	*78,542*

10 Directors' remuneration		
Director's fee		
Keith Pankhurst	13,000	*10,000*
Ismail Ghandour	261,000	*221,000*
Mark Thomas	13,000	*10,000*
Ivan Minter	144,000	*169,000*
Dr Tony Ghorayeb	66,000	*35,000*
Kayssar Ghorayeb	15,000	*12,000*
Hikmat El-Rousstom	15,000	*12,000*
	527,000	*469,000*

Notes to the Consolidated Financial Statements (continued)

	Group 2022	Group 2021
11 Taxation	**£**	**£**
Current year tax		
UK corporation tax	707,678	361,505
Adjustment in respect of previous periods	24,946	*(52,481)*
	732,624	*309,024*
Deferred tax		
Origination and reversal of timing differences	36,803	*(133,000)*
Total tax charge / (credit) for period	769,427	*176,024*
Reconciliation of current tax charge		
Profit / (Loss) on ordinary activities before tax	2,066,232	*1,386,072*
Tax on profit / (loss) on ordinary activities at 19% *(2021:19%)*	392,584	*263,354*
Effects of:		
Expenditure / (income) not deductible for tax purposes / taxable	351,897	*(32,304)*
Other timing differences	-	*(10,932)*
Timing difference on property valuations	(36,803)	*133,000*
Prior period adjustments	24,946	*(52,481)*
Tax deducted at source	-	*8,387*
Losses carried forward	-	-
	732,624	*309,024*

A potential deferred tax asset of approximately £46,109 *(2021: £251,898)* has not been recognised 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 £242,677 *(2021: £1,325,780).*

	2022	2021
Deferred tax		
Balance at 1 May 2021	140,054	*7,054*
Charge for the period	(36,803)	*133,000*
Disposal of subsidiaries	83,487	-
Balance at 30 April 2022	186,738	*140,054*
Current	-	*(83,487)*
Non-current	186,738	*223,541*
	186,738	*140,054*
Deferred tax comprises:		
Revaluations of investment property assets to fair value	186,738	*223,541*
Revaluations of held for sale assets to fair value	-	*(83,487)*
	186,738	*140,054*

12 Earnings per share

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

	2022	2021
Profit / (Loss) for the period attributable to equity owners	1,499,107	*1,218,931*
Weighted average number of shares	**shares of 25p**	**shares of 25p**
For basic earnings per share	58,780,517	*58,505,850*
Dilutive effect of share options	14,940,383	*15,840,708*
For diluted earnings per share	73,720,900	*74,346,558*
Earnings per share	**pence**	**pence**
Basic	2.55	*2.08*
Diluted	2.03	*1.64*
	£	**£**
Dividends declared during the year – per share of 25p	-	-
Dividends declared during the year – total	-	-

Notes to the Consolidated Financial Statements (continued)

13 Investment property

	Group	
	2022	**2021**
	£	**£**
Valuation at 1 May 2021	79,706,639	*76,888,096*
Purchases during the year at cost	-	*3,318,543*
Transfer to assets held for sale	(3,400,000)	-
Fair value loss	193,704	*(500,000)*
Valuation at 30 April 2022	76,500,343	*79,706,639*

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 2022 have been valued by Bowcliffe Limited, Chartered Surveyors. Two executive directors, one of whom is a Chartered Surveyor, are qualified to assess the valuation of properties by reason of their career experience. The remaining directors have considerable corporate management experience and are competent to challenge issues both within and outside their specific professional qualifications.

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

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

Class of property		**Valuation technique**	**Fair value**
			£
Freehold – Directors' valuation	Level 3	Market value	76,500,343

The valuations of all investment property held by the Group is classified as Level 3 in the IFRS 13 fair value hierarchy as they are based on unobservable inputs such as current rents, break options, lease incentives and future development opportunities based on planning permissions held or sought by the Group.
An increase in investment yield or decrease in Estimated Rental Value would result in a reduction in the valuation of the Group's investment properties and vice versa if the opposite was to happen.
The directors believe, after considering the external valuation and other unobservable information known by management who actively manage the properties, that the open market value of the investment properties as at 30 April 2022 is £76,500,343 *(2021: £79,706,639)*. 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 £76,925,398 *(2021: £80,613,852)*.

14 Investments

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Cost at 1 May 2021	5,000,680	-	6,459,395	*1,793,965*
Fair value adjustment of investment	(797,576)	-	(797,576)	*(335,250)*
Disposal of subsidiaries	-	-	(607,460)	-
Investment into LiBank	37,747	*5,000,680*	37,747	*5,000,680*
Cost at 30 April 2022	4,240,851	*5,000,680*	5,092,106	*6,459,395*

Following a capital raise in Lebanon in 2020, £1.4 million was remitted to the UK with the balance remaining on deposit in LIbank. However, following a period of uncertainty in the Lebanese economy after the Beirut port explosion in August 2020, and due to the ongoing operation of exchange controls imposed within the Lebanese banking sector, the remainder of the deposit cannot currently be remitted to the UK. During 2021 the Company transferred £5 million cash held on deposit into a Cash Contribution to Capital in LIbank. This loan investment was structured to comply with Lebanese regulations at the time and to protect the Company's investment. Under the terms of the legal agreement, it is repayable only upon liquidation of LIBank and bears no interest. LIBank has an option to transfer all or part of this loan into shares of LIBank in order to absorb a loss of capital if required. It remains the Company's intention to utilise the £5 million for investment over the medium to long term when the economic restrictions in Lebanon have eased. The Directors are closely monitoring exchange restrictions in Lebanon but are also in discussions with LIbank regarding a financing facility linked to the investment which would be used to pursue real estate investment opportunities within Lebanon. Whilst there remains inherent value in the investment, the Directors recognise the impact of the ongoing economic uncertainty in Lebanon. The Directors therefore believe it is prudent to hold the loan at amortised cost and recognise an adjustment at 30 April 2022. The Directors will continue to closely monitor the economic situation in Lebanon and review the valuation assumptions periodically.
On 8 April 2021, the Company acquired 10 nominal shares in LIBank, a private Lebanese bank, at $95 per share.
On 14 April 2021, the Company transferred £5,000,000 cash deposited at LIBank into a Cash Contribution to Capital in LIBank.
On 13 October 2021 a further £37,747 cash deposited at LIBank was transferred to the Cash Contribution to Capital in LIBank.

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	
Ace (Barnsley) Limited	Investment	England and Wales	Ordinary	100
Ace (EBT) Limited	Trustee	England and Wales	Ordinary	100
Ace (Gateshead) Limited	Investment	England and Wales	Ordinary	100
Ace (Hanley) Limited	Investment	England and Wales	Ordinary	100
Ace (Hulme) Limited	Investment	England and Wales	Ordinary	100
Ace (Keighley) Limited	Investment	England and Wales	Ordinary	100
Ace (Luton) Limited	Investment	England and Wales	Ordinary	100
Ace (Management) Limited	Investment	England and Wales	Ordinary	100
Ace (Manchester) Limited	Investment	England and Wales	Ordinary	100
Ace (North) Limited	Investment	England and Wales	Ordinary	100
Ace (Plymouth) Limited	Investment	England and Wales	Ordinary	100
Ace (Sunderland) Limited	Investment	England and Wales	Ordinary	100
Lantana Properties Limited (Sub of Luton)	Investment	BVI	Ordinary	1
Radcliff Property Limited	Investment	Anguilla	Ordinary	100

15 Assets held for sale

	Group	
	2022	2021
	£	£
Fair value at 1 May 2021	10,229,921	*10,429,921*
Sale during the year	(9,179,921)	-
Fair value loss	(200,000)	*(200,000)*
Fair value at 30 April 2022	850,000	*10,229,921*
This consists of:		
Hillcrest House, Leeds	-	*2,300,000*
Oscar Court, London SW3	-	*2,100,000*
Willow House, Aldershot	850,000	*1,050,000*
Bridge House, Dudley	-	*4,779,921*
	850,000	*10,229,921*

Sales of Bridge House, Dudley, Hillcrest House, Leeds and Oscar Court, London completed during the year. Willow House, Aldershot, has potential for development and was purchased for re-sale. The sale of Willow House completed on 29th July 2022.

16 Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade receivables	122,587	*287,939*	-	-
Other receivables	348,705	*417,664*	-	*5,430*
Amounts due from subsidiary companies	-	-	56,047,070	*64,516,271*
Bad debt provision	-	-	(134,659)	*(1,903,961)*
Prepayments and accrued income	61,787	*641,868*	21,577	*19,375*
	533,079	*1,347,471*	55,933,988	*62,637,115*
Current	533,079	*1,347,471*	55,933,988	*62,637,115*
Non-current	-	-	-	-
	533,079	*1,347,471*	55,933,988	*62,637,115*

The directors consider that the carrying amount of financial assets approximates to their fair value.
Other receivables include £301,375 *(2021: £301,375)* deposit paid for the acquisition of the long leasehold of Hunters Row, Stafford. The completion of the acquisition is expected in Quarter 3 of the current financial year.

Notes to the Consolidated Financial Statements (continued)

17 Liabilities relating to Assets held for sale

	Group 2022	Group 2021
	£	£
Secured loan on Flat G, Oscar Court	-	*1,272,313*

The secured loan on Oscar Court was settled upon disposal of Ace (Chelsea) Limited.

	Group 2022	Group 2021	Company 2022	Company 2021
18 Trade and other payables	£	£	£	£
Trade payables	148,195	*112,743*	-	*1*
Taxation and social security	1,589,037	*1,987,846*	1,387,619	*1,525,693*
Other payables	99,360	*3,737,953*	69,934	*137*
Amounts due to subsidiary companies	-	*-*	239,309	*863,797*
Accruals and deferred income	1,235,975	*1,473,025*	400,840	*569,133*
	3,072,567	*7,311,567*	2,097,702	*2,958,761*
Current	3,072,567	*7,311,567*	2,097,702	*2,958,761*
Non-current	-	*-*	-	*-*
	3,072,567	*7,311,567*	2,097,702	*2,958,761*

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

19 Borrowings	Group 2022	Group 2021	Company 2022	Company 2021
Other loans	11,371,217	*11,612,064*	11,371,217	*11,612,064*
Bank loans	35,708,901	*46,387,250*	15,589,151	*25,462,800*
Unamortised issue costs	(210,915)	*(323,733)*	(79,726)	*(126,160)*
	46,869,203	*57,675,581*	26,880,642	*36,948,704*
Current	17,644,125	*37,716,654*	26,880,642	*36,948,704*
Non-current	29,225,078	*19,958,927*	-	*-*
	46,869,203	*57,675,581*	26,880,642	*36,948,704*

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 17 November 2016 the Company drew down a loan of £13,751,800 from Lloyds Banking Group secured on the investment properties owned by its subsidiaries Ace (Plymouth) Limited, Ace (Gateshead) Limited, Ace (Sunderland) Limited, Ace (Dudley) Limited, Ace (Leeds) Limited and Ace (Hanley) Limited. On 11 April 2017 the Company drew down an advance of £2,320,000 secured on the property acquired on that date by its subsidiary Ace (Manchester) Limited. These advances carried an interest rate of 2.85% above LIBOR.

The Company drew down the following advances at an interest rate of 2.70% above LIBOR:

13 October 2017 an advance of £6,264,000 secured on the properties acquired on that date by Ace (Management) Limited;

14 February 2018 an advance of £2,407,000 secured on the further property acquired on that date by Ace (Management) Limited; and

6 March 2018 an advance of £2,755,000 secured on the property acquired on that date by Ace (Keighley) Limited.

The loan was for a term of five years repayable in quarterly amounts of £172,500 and a final repayment on 17 November 2021.

As refinancing arrangements were ongoing at the final repayment date, a six-month extension to the facility was granted by Lloyds Bank plc to 15th May 2022 at a margin of 3.00% above SONIA. Two further extensions have been agreed to 15th August and 15th November with margins of 3.75% and 4.25% above SONIA respectively.

At year end the total balance outstanding on the Lloyds facility was £15,589,151.

On 22 September 2022 a new loan facility of £22,027,500 with Coutts bank was drawn down. This replaces the Lloyds facility which was repaid in full on the same date. The new Coutts facility is repayable by quarterly repayments of £166,875 and carries an interest rate of 2.75% above SONIA.

On 25 April 2019, the Company's subsidiary Ace (North) Limited, drew down a loan of £13,611,000 from Coutts & Co secured on the investment properties owned by the subsidiary. The loan was repayable by quarterly instalments of £125,000 with final repayment on 30 April 2024, at an interest rate of LIBOR plus 2.75% and was guaranteed by the Company's parent. On 30 April 2019 the Company's subsidiary drew down a loan of £6,516,250 from Coutts & Co on the same terms for the purchase of two properties. The loan is repayable by quarterly repayments of £40,125 with full repayment on 30 April 2024.

The Company's subsidiary, Ace (North) Limited, drew down two further loans to finance acquisitions on 26 August 2020 for £625,000 and on 7 December 2020 for £855,000 at an interest rate of LIBOR plus 2.75% and SONIA plus 2.9% respectively. The loans are repayable by quarterly repayments of £6,250 and £8,550, with full repayment on the fifth anniversary.

On 26 April 2019 and 3 June 2019, the Company drew down unsecured loans from nine of its shareholders to a total value of £3,200,000. The loans carry an interest rate of 7% and have a term of two years. On 25 April 2020, the holders of loans totalling £2,200,000 accepted an offer from the Company to convert their loans into ordinary shares at a price of 50p per share. At 30 April 2022 loans to a value of £1,000,000 *(2021: £1,000,000)* were still outstanding.

For details regarding the convertible loan notes see Note 20.

Notes to the Consolidated Financial Statements (continued)

19 Borrowings (continued)

Interest rate swaps and caps

The Group has entered into interest rate swap contracts with notional amounts of £15,025,750 *(2021: £35,937,050).* The interest rate swap contract pays a fixed rate of interest between 1.14% and 1.18%, and receives a variable rate based on SONIA on the notional amount. The interest rate cap is capped at 0.75%. The swaps are used to hedge the exposure to the variation in interest rates on secured loans.

Financial derivatives' fair values were provided by the counter-party banking institution. Fair value is calculated using present value of cash flows and the credit quality of counterparties. All derivative financial instruments are carried at fair value in the Balance Sheet.
The Group's interest rate swaps and caps as at 30 April were as follows:

Type	Maturity date	Swap/ Cap rate	Notional Amount	Fair value	Fair value Restated
				2022	2021
			£	£	£
Cap	15/11/2021	0.75%	-	-	*(29,722)*
Swap	15/11/2021	0.97%	-	-	*(30,901)*
Swap	15/11/2021	0.70%	-	-	*(16,978)*
Swap	25/04/2024	1.14%	9,111,000	198,906	*(205,417)*
Swap	24/04/2024	1.18%	5,914,750	127,745	*(140,927)*
			15,025,750	326,651	*(423,945)*
Current				-	*(77,601)*
Non-current				326,651	*(346,344)*
				326,651	*(423,945)*

20 Convertible Loan Notes

The Company issued 10,000,000 6% unsecured convertible notes for £10,000,000 on 28 June 2017. The notes were convertible into ordinary shares of the Company, at the option of the holder at any time, or repayable on 28 June 2019. The conversion rate is one 25p share for each note held at a price of 71.25p. The holder also has an option to purchase properties owned by the Group at an agreed price. In June 2021 the instrument was renewed at the same interest rate for a further two year period ending on 23 May 2023.

The Company also issued £5,263,700 5% unsecured convertible notes on 25 January 2018. The notes are convertible into ordinary shares of the Company, at the option of the holder at any time. The conversion rate is one 25p share for each note held at a price of £1. As at 30 April 2022, holders of CLNs to a value of £1,838,700 *(2021: £1,638,700)* had converted their holdings into ordinary shares of 25p and holders of a further £3,050,000 *(2021: £3,050,000)* had been repaid. For the benefit of holders who had not exercised their rights by the maturity date of 31 December 2019, the holdings at that date were rolled over on the same terms. As at 30 April 2022, CLNs to a value of £375,000 *(2021: £575,000)* remained outstanding.

The convertible notes are presented in the balance sheet as follows:	Group and Company	
	2022	2021
	£	£
Face value of the convertible loan notes in issue as at the year end	10,375,000	*10,575,000*
Equity element	(208,600)	*(202,302)*
Liability component on initial recognition	10,166,400	*10,372,698*
Liability component at the start of the period	10,559,814	*11,149,717*
Issue of convertible loan notes	9,791,400	-
Interest charged at effective interest rate	767,753	*714,367*
Interest paid/redemption	(10,800,000)	*(1,050,000)*
Finance cost capitalised	(150,000)	*(25,000)*
Finance cost expensed in year	122,524	*180,000*
Interest moved to accruals	-	*(109,270)*
Change in estimate	-	*(300,000)*
Liability component at the end of the period	10,291,491	*10,559,814*
Other comprehensive income This represents the release of equity previously recognised under IFRS in respect of the initial accounting of the Convertible Loan Notes issued by the Company due to the expiry or repayment of the securities.	202,302	*8,883*

Notes to the Consolidated Financial Statements (continued)

21 Share capital

	Group and Company	
	2022	**2021**
	£	**£**
58,846,850 *(2021: 58,505,850)* ordinary shares of £0.25 each	14,711,713	*14,626,463*

	shares of 25p	**shares of 25p**
Shares in issue at 1 May 2021	58,505,850	*58,505,850*
Shares issued during year ended 30 April 2022	341,000	*-*
Shares in issue at 30 April 2022	58,846,850	*58,505,850*

Warrants

Share warrants were issued in conjunction with the 5% convertible loan note and the 7% loan.

In relation to the 7% loan, a total of 1,100,000 warrants were issued which entitled the Warrantholder to subscribe in cash for one share at £0.95 per share at any time on or prior to the Expiry Date of 3 June 2021. No warrants were exercised in the year *(2021: Nil)* and 500,000 warrants were outstanding at the year end *(2021: 1,100,000).*

In relation to the 5% convertible loan note, a total of 5,263,700 warrants were issued which entitled the Warrantholder to subscribe in cash for one share at £0.80 per share at any time on or prior to the Expiry Date of 31 December 2020. No warrants were exercised in the year *(2021: Nil)* and no warrants were outstanding at the year end *(2021: Nil).*

Share warrants outstanding and their related weighted average exercise prices were as follows.

	2022		**2021**	
	Weighted average exercise price in £ per warrant	**Warrants**	**Weighted average exercise price in £ per warrant**	**Warrants**
At 1 May 2021	0.95	1,100,000	*0.86*	*2,955,450*
Issued during year	-	-	*-*	*-*
Exercised during year	-	-	*-*	*-*
Expired during year	-	(600,000)	*0.09*	*(1,855,450)*
At 30 April 2022	0.95	500,000	*0.95*	*1,100,000*

22 Reserves – Company and Group

Share premium account. When shares are issued at a value greater

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

than the nominal value of 25p, the surplus is credited to this reserve. The balance shown at any time is net of the costs of share issues. The reserve is not distributable.

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

Treasury shares. This represents the cost of acquisition of the Company's own shares owned by its subsidiary, Ace (EBT) Limited, as trustee of the Group's Employee Benefit Trust. Ace (EBT) Limited owns 460,000 *(2021: 460,000)* £0.25 shares with a nominal value of £115,000 *(2021: £115,000).*

23 Financial instruments

23.1 Financial instruments recognised in the consolidated statement of financial position

Financial instruments are recognised initially at their fair value and subsequently measured at amortised cost, apart from derivatives which are measured at fair value using the present value of cash flows and the credit quality of counterparties.

	Group	
	2022	**2021**
Loans and receivables	**£**	**£**
Cash and cash equivalents	2,245,873	*2,913,363*
Trade and other receivables	533,079	*1,347,471*
Derivative financial instrument	326,651	*-*
	3,105,603	*4,260,834*
Other financial liabilities		
Borrowings	46,869,203	*58,947,894*
Derivative financial instrument	-	*423,945*
Trade and other payables	3,072,567	*7,311,567*
	49,941,770	*66,683,406*

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)

23 Financial instruments (continued)

23.2 Financial risk management objectives and policies

Credit risk

The board has conducted a review of the effectiveness of the Company's risk management and internal controls systems, and find them to be reasonable.

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	Over 5 years	2022 Total
	£	£	£	£
Mortgages secured on investment properties	16,348,851	19,360,050	-	35,708,901
Liabilities held for sale	-	-	-	-
Convertible loan notes	375,000	9,996,217	-	10,371,217
Unsecured loan	1,000,000	-	-	1,000,000
	17,723,851	29,356,267	-	47,080,118

Market risk

The Group's main exposure to market risk is through interest rates. Where appropriate the Group utilises hedging agreements in order to protect from the risk of interest rate rises. At year end the Coutts facility was 75% hedged. The was no hedging in place for the Lloyds facility as this was due to be repaid.

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. Interest rate on bank loans at 30 April 2022 was in the range 3.4% to 3.9% *(2021: 2.5% to 3.9%).* Of the Group's borrowings at 30 April 2022, £26,396,965 *(2021: £47,557,050)* is at rates fixed for the duration of the loan or by means of agreements to swap variable rate liabilities into fixed rates. If interest rates increased by 1% the Group's annual interest liability would increase by £206,832 *(2021: £179,288).* 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 a value not significantly different from their fair value. Apart from financial derivatives which are carried at fair value and are exposed to fair value movements due to changes in interest rates or other market factors which are outside the Group's control.

Investment properties are carried at fair value and the portfolio is exposed to fair value movements due to market and occupier fundamentals. This risk is mitigated by the Group's strategy to invest in properties with good covenants which offer a high yield and the opportunity to add capital value to the initial investment.

Foreign exchange risk

Foreign exchange risk is minimal to the Group. The LiBank investment has contractually been denominated in US Dollars but LiBank has agreed to bear the foreign exchange fluctuations and the principal loan will be repaid in pound sterling. There are no non-sterling balances in the financial statements.

Fair value hierarchy

A table showing an analysis of the financial instruments recognised in the consolidated statement of financial position at fair value by level of the fair level hierarchy can be found at Note 13

Class of financial instrument		Valuation technique	Fair value
			£
Derivatives	Level 2	Mark to market	(326,651)

The Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. There have been no movements within the categories of the fair value hierarchy.

Notes to the Consolidated Financial Statements (continued)

23 Financial instruments (continued)

23.2 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, treasury shares 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 and investments.

	Group	
	2022	**2021**
	£	**£**
Total debt	47,080,118	*59,695,572*
Less cash and cash equivalents	(2,245,873)	*(2,913,363)*
Net debt	44,834,245	*56,782,209*
Total equity	33,988,485	*32,196,180*
Debt to equity	132%	*176%*

23.4 Financial assets

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

24 Related party transactions

Ismail Ghandour, a Director of the Company, has an interest in 3 Pont Street Limited and Hind Property Company Limited, which provides services to the Group. During the year, the Group incurred costs of £38,000 *(2021: £38,000)* charged by 3 Pont Street Limited in respect to rent and incurred £47,840 *(2021: £12,840)* by Hind Property Company Limited in respect to property management fees.

On 5th April 2021, the Company's subsidiary, Ace (Hulme) Limited, paid Hind Property Company Limited £301,375 as a deposit on the exchange of contracts for the acquisition of the long leasehold of Hunters Row, Stafford. The completion of the acquisition is expected in Quarter 3 of the current financial year. The deposit is included in Other Debtors as at 30 April 2022.

Mark Thomas, a Director of the Company, has an interest in Maybridge Commercial Limited, which provides services to the Group. During the year, the Group incurred costs of £53,173 *(2021: £57,000)* charged by Maybridge Commercial Limited in respect to surveyor fees.

Dr. Tony Ghorayeb, a Director of the Company, has an interest in LIBank which the Group has cash deposits and investments with. As at 30 April 2022, the Group had £nil *(2021: £38,572)* in cash deposits and £4,240,851 *(2021: £5,000,680)* in investments with LIBank.

25 Post balance sheet events

On 7 July, £250,000 was repaid in settlement of the 5% convertible loan notes. On 13 July, £75,000 was repaid in settlement of the 5% convertible loan note. The interest due on the loan notes was settled via shares issued at £1.00 per share. The remaining balance of the convertible loan notes is £50,000.

The sale of Willow House, Aldershot which was held for sale at year end completed on 29 July 2022 at a sale price of £850,000.

A new loan facility with Coutts completed on 22 September 2022. Upon drawdown, the existing facility with Lloyds which had a balance of £15,589,151 at year end was repaid.

A dividend of 3.4p per share is to be paid to shareholders on 21 October 2022.

26 Controlling party

The Company has no one controlling party.

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 2022

Notice of the Annual General Meeting of Ace Liberty & Stone Plc (the "**Company**") to be held at 11.00 a.m. on 20 October 2022, at Finsgate, 5-7 Cranwood Street, London, EC1V 9EE, is set out on pages 43, 44 and 45 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 the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, as soon as possible, but in any event not later than 11.00 a.m. on 18 October 2022. 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 41 of this Document and recommends that you vote in favour of the resolutions to be proposed at the Annual General Meeting.

Expected Timetable of Principal Events

Publication of this Document	27 September 2022
Latest time and date for receipt of Form of Proxy	11.00 a.m. on 18 October 2022
Annual General Meeting	11.00 a.m. on 20 October 2022

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

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

Definitions

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

"**Act**"	Companies Act 2006
"**Board**" or "**Directors**"	the Directors of the Company, whose names are set out on page 3 of this Document
"**Company**"	Ace Liberty & Stone Plc
"**Annual General Meeting**" or "**AGM**"	the Annual General Meeting of the Company convened for 11.00 a.m. on 20 October 2022 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 42 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)

27 September 2022

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 20 October 2022.

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 2022 and the consolidated accounts of the Company and its subsidiaries for the same period, the reappointment of Keith Pankhurst and Hikmat El-Rousstom, who retire by rotation at this AGM, and the reappointment 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 £3,097,000 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 £147,000, *i.e.* up to 588,000 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 £2,950,000 which would provide for up to 11,800,000 new Ordinary Shares which represents about 20 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 2023, whichever is the earlier.

ACTION TO BE TAKEN

You can register your vote(s) for the Annual General Meeting either:

- by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions;
- by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 11 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 11.00 a.m. on 18 October 2022.

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.

RECOMMENDATION

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

Yours sincerely

Dr Tony Ghorayeb
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Ace Liberty & Stone Plc (incorporated and registered in England and Wales with registered number 06223892) (the "**Company**") will be held at 11.00 a.m. on 20 October 2022 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 2022, 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 Hikmat El-Rousstom, 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 £3,097,000 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 2023 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 £147,000 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 £2,950,000 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 2023 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: 27 September 2022

By order of the Board

Ivan Minter *Secretary*

Registered office: 20 St Andrew Street, London, EC4A 3AG

Notice of Annual General Meeting (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 the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

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

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

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

Appointment of a proxy using the hard copy proxy form

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

6. To appoint a proxy using the proxy form, it must be
    (a) completed and signed;
    (b) sent or delivered to the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street Farnham Surrey GU9 7DR; and
    (c) received by the Company's registrars no later than 11.00 a.m. on 18 October 2022.

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

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

9. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (SI 2001/3755), specifies that only those ordinary shareholders registered in the register of members of the Company by close of business on 18 October 2022 or, if the meeting is adjourned, in the register of members at 11.00 a.m. on the day (not including non-working days) two days before the date of any adjourned meeting will be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Appointment of proxies through CREST

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

11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent by 11.00 **a.m.** on **18 October 2022**. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Notice of Annual General Meeting (continued)

Notes (continued)

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

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

Appointment of proxy by joint members

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

Changing proxy instructions

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

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

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

Termination of proxy appointments

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

19. The revocation notice must be received by the Company no later than 11.00 a.m. on 18 October 2022.

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

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

Corporate representatives

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

Communication

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