ACE LIBERTY
& STONE PLC

ANNUAL REPORT 2023


Gala
bingo
CLUB · ONLINE · MOBILE
WELCOME TO GALA MIDDLESBROUGH


SPAR


M&S FOOD
bp
ultimate

Contents

Photos

The Inside Front and Inside Back Covers show properties referenced in the review of business section of the Strategic Report.

- Loders service station, Dorchester
- Egerton Park service station, Melton Mowbray
- Gala / Buzz Bingo, Middlesborough
- Tweedle House, Oldham

Full details of all properties in the Ace portfolio are shown on the Company's website, www.acelibertyandstone.com.

Company Information, Directors and Advisors

Directors	Dr Tony Ghorayeb	Non-Executive Chairman
	Ismail Ghandour MBA	Chief Executive
	Nicholas Jones MRICS	Property Director
	Laura Yates CGMA	Finance Director
	Ivan Minter FCA	Non-Executive Director
	Keith Pankhurst	Senior Independent Director
	Kayssar Ghorayeb	Non-Executive Director

Company Secretary Laura Yates CGMA

Registered Number 06223892 (England and Wales)

Registered Office
16 High Holborn
London
WC1V 6BX

Bankers
Coutts & Co
440 Strand
London
WC2R 0QS

Auditors
RPG Crouch Chapman
5th Floor, 14 – 16 Dowgate Hill
London
EC4R 2SU

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

Solicitors
Bracher Rawlins LLP
16 High Holborn
London
WC1V 6BX

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

Brokers
SP Angel
35 Maddox Street
London
W15 2PP

Highlights

- Value of investment property up 2.1% to £78,106,598 (FY 2022 £76,500,343)
- Shareholders funds up 1.3% to £34,426,901 (FY 2022 £33,988,485)
- Cash resources of £6,228,032 following successful open offer and refinancing (FY 2022 £2,245,873)
- Revenue reduced 2.5% to £5,557,714 (FY 2022 £5,697,850) largely due to disposals in the prior year
- 98% of Groups income from Government and Major Industrial & Commercial companies

"In a challenging economic environment, Ace is well-positioned with a healthy balance sheet and significant cash resources to explore any opportunities that may arise."

Ismail Ghandour, CEO

1 78-82 English Street, Carlisle

2 Shildon House, Gateshead

3 Fawcett House, Sunderland

4 James Cook House, Middlesbrough

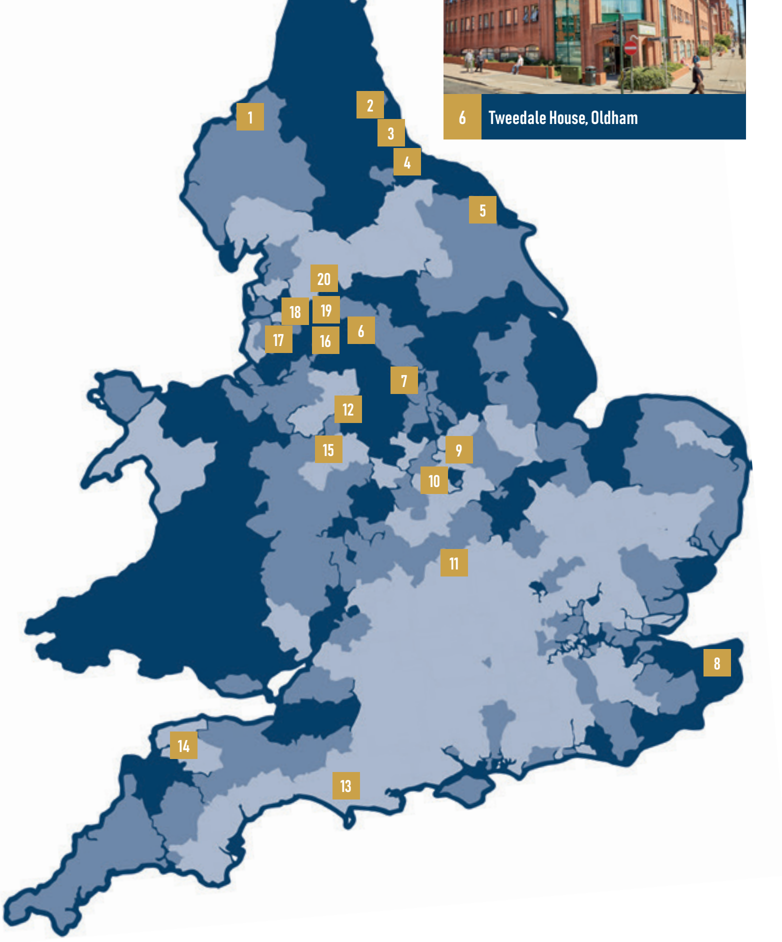
19 52 Black Horse St, Bolton

20 Worth Bridge Road, Keighley

5 16 - 17 Westborough, Scarborough

4 Gala Bingo, Middlesbrough

18 Brocol House, Wigan



6 Tweedale House, Oldham

7 Mecca Bingo, Chesterfield

17 House, Warrington

8 College Square, Margate

16 Grosvenor Casino, Manchester

9 Egerton Park, Melton Mowbray

15 9 Hunters Row, Stafford

10 Princes Court, Leicester

14 Princess House, Barnstaple

13 The Grove, Dorchester

12 1-5 Upper Market Square, Hanley

11 Frances House, Northampton

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

Chairman's Statement

I am pleased to present my Chairman's Statement on the results for the year ending 30 April 2023. The past year has been an active year for the company. During the year under review, the company successfully completed a £22 million refinancing with Coutts & Co, who are now the sole bank lenders to the Group. In addition, with the support of existing shareholders, £3 million was raised following a successful Open Offer of shares. Together, these transactions have strengthened the balance sheet with over £6 million cash and cash equivalents available at year end.

We have welcomed two new Board members during the year, Nick Jones as Property Director and Laura Yates as Finance Director. Ivan Minter has moved to a non-executive role focusing on corporate governance, where his wealth of experience and expertise can assist in driving the growth of the company. Mark Thomas and Hikmat El-Rousstom stepped down from the Board during the year to focus on other endeavours and we wish them every success for the future.

Two properties have been acquired during the period and subsequently, Loders service station in Dorchester and Egerton Park service station in Melton Mowbray, further details of which can be found in the strategic report. Completion of the acquisition of Hunters Row, Stafford is expected in December 2023.

During the year, revenue reduced 2% to £5,557,714 largely due to disposals in the prior year, partially offset by income from new acquisitions. Administrative expenses have increased from £1,291,943 to £1,875,448. The increase is driven in the most part by void costs of approximately £235,000 related to a vacant unit in Sunderland. The majority of this cost is historic and non-recurring as mitigating actions have now been put in place. In addition, staff costs have increased by approximately £182,000, which is largely related to non-recurring costs incurred as a result of changes to the Board. Dilapidations settlements in respect of Fawcett House, Sunderland and Telephone House, Sheffield resulted in one-off income totalling £277,954. Finance costs increased from £2,792,045 to £3,382,440. This is a result of increased bank debt following the drawdown of the Coutts facility in September 2022 and increasing interest rates. Our loan to value remains conservative at 54%. Fair value adjustments of £600,000 to investment property and £430,911 to the investment in Lebanon have reduced profit, with the group reporting a loss before tax of £263,657.

The cash contribution to capital investment in Lebanon has been further impaired during the year to recognise the risk associated with remitting the funds to the UK due to current economic conditions in Lebanon. However, it remains the Company's intention to utilise the funds for investment when circumstances allow.

The Company paid an interim dividend of 3.4p per share in October 2022 which was intended to recompense shareholders for a long gap in dividend payments. This dividend payment utilised a large portion of the Company's distributable reserves and, as such, no final dividend was declared for the year ended April 2023. The Board remains committed to establishing regular distributions to shareholders and dividend payments will recommence once adequate reserves are available.

The past number of years have been challenging for the UK economy with the unprecedented impact of the Covid-19 pandemic and the uncertainty caused by Brexit. Ace's robust portfolio withstood the many challenges during this period but new challenges are upon us. The ongoing Ukraine conflict, together with rising interest rates and inflation, which accelerated following the mini budget in September 2022, leave the economy in a very different place compared to 12 months ago. The volatility in the interest rate market has had a particular impact on property valuations and the real estate market.

In spite of the challenging economic conditions facing the Company, the Directors are confident in the long-term strength of Ace. The Board has focused on developing a portfolio of geographically diverse, low-risk assets with a secure tenant base. Together with significant cash reserves at year end, the portfolio is in a strong position to perform well against this backdrop of economic turmoil.

Dr. Tony Ghorayeb
Chairman
Date: 19 September 2023

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, as two represent major shareholders and one was previously an executive director of the company, they would not be considered totally independent according to the Code. The fourth non-executive is the Senior Independent Director.

The code also states *"The chair should not remain in post beyond nine years from the date of their first appointment to the board."* The Company departs from this provision as Dr Tony Ghorayeb was appointed to the Board in September 2013 and appointed Chairman in May 2016. The company has recently appointed two new executive directors as part of ongoing succession planning and considers it appropriate for the chair to remain in post to facilitate the development of a diverse and experienced board.

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 meets with the auditor twice-yearly. The committee reviews the audit appointment periodically, discusses the audit plan with the auditor and recommends approval of the financial statements to the Board. Following the resignation of Jeffreys Henry LLP, the company tendered its external audit contract. After due consideration the committee recommended RPG Crouch Chapman LLP be appointed as auditors to the company. The Board approved the committee's recommendation. Internal controls are the direct responsibility of the directors.

Remuneration

The Remuneration Committee comprises Dr Tony Ghorayeb (chairman), Kayssar Ghorayeb, and Ivan Minter (who has replaced Hikmat El-Rousstom following his resignation). 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. The company does not provide share incentive schemes, annual bonus schemes or pension benefits above those legally required. Discretionary bonuses may be awarded to employees upon approval from the Board.

Corporate Governance Statement (continued)

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	8	2	8	2
Ismail Ghandour	8	2	8	2
Kayssar Ghorayeb	7	5	8	6
Ivan Minter	8	1	8	2
Keith Pankhurst	8	4	8	4
Hikmat El-Rousstom (resigned 2 February 2023)	3	2	5	2
Mark Thomas (resigned 10 October 2022)	-	-	3	-
Nicholas Jones (appointed 28 April 2023)	-	-	-	-
Laura Yates (appointed 28 April 2023)	-	-	-	-

Shareholders

At 19 September 2023, the following shareholders held more than 3% of the company's issued share capital:

	Shares of 25p	%
Euroclear Nominees Limited	12,007,599	16.8
James Brearley Crest Nominees Limited	11,141,986	15.5
Luna Nominees Limited	10,881,645	15.2
HSBC Global Custody Nominees (UK) Limited	7,287,597	10.2
Dinama Holdings Ltd	5,627,066	7.9
Daniel Waylett	2,836,143	4.0

Euroclear Nominees Limited held 240,571 shares on behalf of Mr. T Ghorayeb and 316,148 shares on behalf of Mr. K Ghorayeb who are both non-executive Directors of the Company.

HSBC Global Custody Nominee (UK) Limited held 6,752,069 shares on behalf of Mr. I Ghandour who is a Director of the Company and 305,893 shares on behalf of Mr. T Ghorayeb and 28,627 shares on behalf of Mr. K Ghorayeb who are both non-executive Directors of the Company.

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 identifies high yielding properties with good covenant strength that are ideally underwritten by an alternative use or development potential. The Group holds a proportion of its portfolio in properties with longer-term tenancies in order to achieve a balanced portfolio and protect future cash flows.

The success of this strategy rests on the executive directors' ability to select suitable properties that fulfil the above criteria. The Chief Executive and the Property Director have a wide range of contacts and the experience to judge market trends. The Directors actively monitor the market to take advantage of opportunities for acquisition or disposal to ensure the best returns for shareholders.

Long-term objective

The Group's objective is to create value for shareholders by building a portfolio of commercial properties which provide secure long-term returns. The long-term strategy is to invest in properties with a good flow of annual rental income from creditworthy tenants, across a mix of asset classes and locations in order to minimise risk and protect cash flows. Properties selected will also have realistic prospects of conversion to alternative uses beyond the current tenancy agreement. The Board regularly reviews its strategy and objectives and will tailor delivery based on current market conditions.

Review of business

The Group has been active on several property transactions during the year and subsequently, including the acquisition of petrol filling station investments in Melton Mowbray and Dorchester. Loders service station in Dorchester was acquired for £2,080,000 in February 2023. The property, which includes a BP filling station and a Spar convenience store, yields a rental income of £167,914 initially, with substantial increases embedded in its fifteen-year unexpired lease. Egerton Park service station in Melton Mowbray, which comprises a BP branded forecourt and a M&S branded convenience store, was acquired for £2,744,852 in July 2023. The current annual rental income is £181,025 with a fixed increase to £204,814 in September 2023 and over 10 years remaining on the lease. Completion of the contract for the purchase of Unit M, 9 Hunters Row, Stafford has been extended in agreement with the seller, with an additional deposit sum paid. Completion is expected in December 2023. The sale of Willow House, Aldershot, which was held for sale at 30 April 2022, was completed on 29 July 2022.

The portfolio is actively managed by the Property Director who is in regular dialogue with tenants regarding lease renewals, rent reviews and other property matters. During the year, Buzz Bingo successfully exited their CVA with a rent review settlement at £300,000 per annum. In addition, a fixed uplift to the higher of £330,000 or market rent at July 2026 and a reversionary lease for 6 years from 2031 was agreed, increasing the term certain to 2037. The lease renewal of Tweedle House was also agreed with the tenant, the Secretary of State, agreeing to a further 10 years from April 2023 at a rent of £200,000. Other negotiations are in progress as the Company works to further enhance the strength of the portfolio.

An overall review of business is given in the Chairman's Statement on page 5.

The Board monitors key financial performance indicators. The indicators are appropriate to the circumstances of the business. The Key Performance Indicators for the year ended 30 April 2023 appear on pages 10 and 11.

Environmental, Social and Governance ("ESG")

Ace is committed to conducting business and managing the 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. During the year under review Ace retained Resilience Partners to advise on the use of AI to develop a strategy for improving ESG performance across the portfolio. Using a data-driven approach, the aim is to introduce a model of continuous improvement resulting in benefits for both tenants and investors.

Energy Performance Certificates ("EPCs") remains a focus for the business and Ace is committed to working with tenants to improve the energy performance of the properties. Across the portfolio, the EPC is currently in the range B-D. Improving this has been included as one of our Key Performance Indicators for the Group.

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 strong 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 the current macroeconomic environment of high inflation and rising interest rates has impacted results this year. Where appropriate, the directors mitigate this risk by putting in place hedging instruments for protection against future interest rate rises. In addition, future returns on acquisitions are evaluated by projecting higher than current rates. At year end, hedging was in place on 34% of the bank facilities. The directors are closely monitoring the market, assessing the desirability of hedging and, when appropriate, further hedging will be put in place to mitigate risk.

There is a risk that the Group will be unable to finance future acquisitions with a consequential impact on 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 and the Company evaluates future cashflows on a stressed basis to ensure adequate resources are available. In addition, the Group maintains open dialogue with lenders regarding future requirements ensuring a strong position for negotiations.

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.

Strategic Report (continued)

The investment in Levant Investment Bank SAL (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. Further detail can be found in Note 14.

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. Where properties fall within the IFRS definition of assets held for sale they 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 UK commercial property investment market is facing a period of uncertainty and the directors will continuously 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 19 September 2023 and signed on its behalf by:

Laura Yates

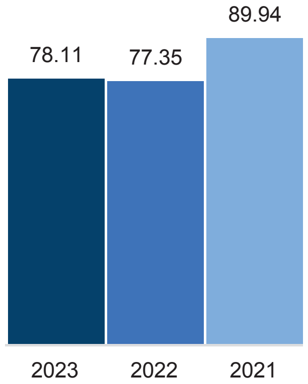
Director

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.

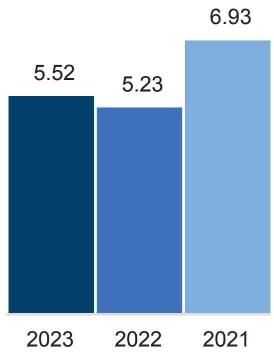
Property specific metrics measure the performance of the portfolio and aid management decisions. The strength of the WAULB and sector analysis highlight the resilience of the portfolio which aligns with the Group's strategy to build a portfolio of secure long income producing properties.

Portfolio Value (£m)



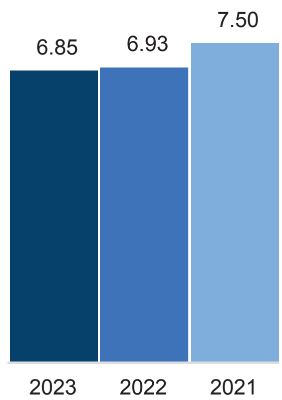
Measures the value of the investment property portfolio. During the year the portfolio valuation increased by £0.76m due to acquisitions of £2.2m partially offset by a fair value movement of £0.6m and disposals of £0.85m.

Portfolio passing rent (£m)



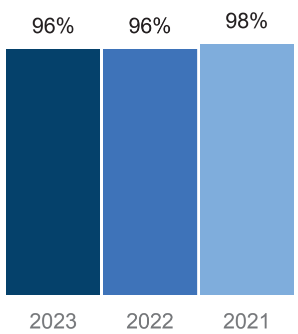
Measures the annual contractual rental income of leases in place at year end. Differs from actual rental income received during the year which is impacted by void periods, renewals and rent reviews.

WAULB (years)



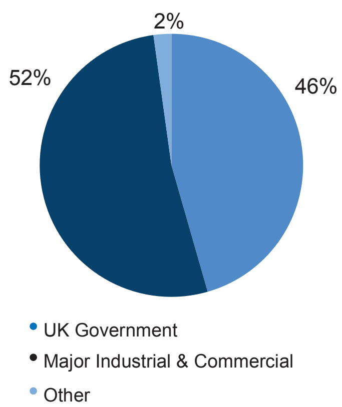
Measures the average lease length remaining before break or expiry. Provides a strong indication of the resilience of the portfolio to short-term vacancies.

Occupancy levels
(% of Net Internal Area)



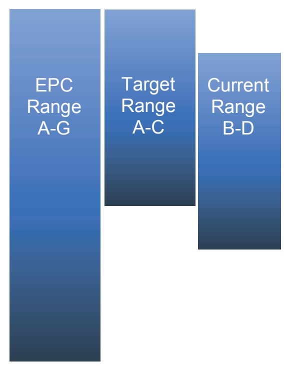
Measures the quantum of vacant units across the portfolio. The Ace portfolio is largely fully let with one unit currently being marketed.
Note: does not include properties held for sale

Sector Analysis



Measures the percentage of tenants per sector. Ace has a strong portfolio of Government-backed tenants together with a large portion of major commercial tenants including industrial, essential retail and essential service providers.

EPC Performance



Measures the energy performance of the properties. Ace is committed to improving the EPC and is working with tenants to make improvements to the buildings to achieve the target range of EPC which is now a requirement of lenders.

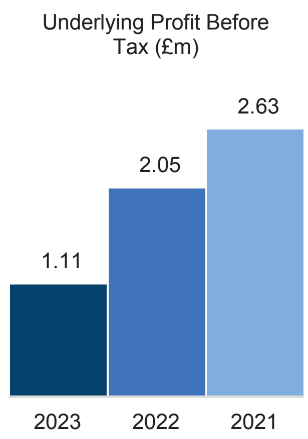
Key Performance Indicators (continued)

The Board monitors the financial performance of the Group in the following format and this is also reproduced for the benefit of shareholders. This table is a re-analysis of the statutory Income and Expenditure Account and contains the same information.

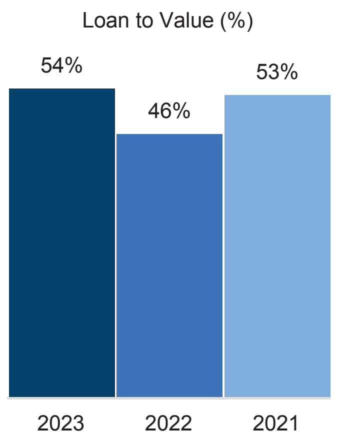
	2023	2022	2021
Summary Income Statement	£	£	£
Rental income	5,557,714	5,697,850	6,227,124
Interest on secured property loans	(2,079,841)	(1,485,295)	(1,673,177)
Property management	(102,623)	(75,760)	(85,155)
Gross contribution	3,375,250	4,136,795	4,468,792
Recurring overheads	(1,284,325)	(1,087,411)	(915,609)
Net interest	(985,397)	(1,001,417)	(926,384)
Underlying profit for period	1,105,528	2,047,967	2,626,799
Non recurring income and overheads	(1,369,185)	18,265	(1,240,727)
Profit / (Loss) before tax	**(263,657)**	**2,066,232**	**1,386,072**

This layout enables management to evaluate performance on an underlying basis, discounting the effect of one-off or non-recurring items. Recurring overheads relate mainly to directors' salaries and fees, legal and professional fees, and costs of compliance and regulation. Non-recurring items include the costs of arranging finance, fair value movements, the costs and profits of selling properties and dilapidations settlements.

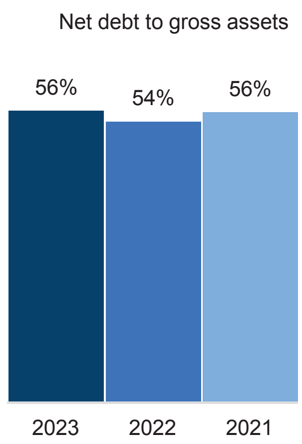
Interest is split to highlight the cost related directly to secured bank facilities and the cost of general finance facilities (not specifically secured on properties).



Measures profitability before the impact of non-recurring items. In the current year the largest individual items are the fair value movements on investment property £600k and the Lebanese investment £430k



Measures the loan-to-value ratio of the investment portfolio which is relied upon for banking facilities



Measures total borrowings less cash and cash equivalents divided by the Group's total assets excluding cash and cash equivalents. Takes account of the impact of the £10m CLN and cash reserves.

Directors' Report

The directors present their report with the audited consolidated financial statements for the year ended 30 April 2023.

Dividends

The directors declared interim dividends for the year ended 30 April 2023 on 28 September 2022. An interim dividend of 3.4p per ordinary share of 25p was paid on 21 October 2022. No dividends were paid for the year ended 30 April 2022.

Directors

The following directors have held office since 1 May 2022:

Keith Pankhurst	Ivan Minter
Dr Tony Ghorayeb	Mark Thomas – Resigned 10 October 2022
Kayssar Ghorayeb	Hikmat El Rousstom – Resigned 2 February 2023
Ismail Ghandour	Laura Yates – Appointed 28 April 2023
	Nicholas Jones – Appointed 28 April 2023

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 considerations include;

- The impact of the refinancing of two facilities due to expire during the Going Concern period;
- The impact of rising interest rates and inflation.

Two banking facilities totalling £18,025,750 at balance sheet date will expire in April 2024. Both loans are held with Coutts & Co under Ace (North) Limited. The Company is in early-stage discussions with the lender, along with other interested parties in renewing terms for the loan, and believes financing will be available at terms similar to those currently in place on the existing facilities.

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 one circumstances allow. See note 14 for further detail.

Auditors

During 2023, Jeffreys Henry LLP resigned as auditors. After a successful tender, the board agreed to appoint RPG Crouch Chapman LLP as the auditors for the Group for the year ended 30 April 2023. RPG Crouch Chapman 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 12 May, £50,000 was converted in settlement of the 5% convertible loan notes. The interest of £13,404 due on the loan notes was settled via shares issued at £1.00 per share. The remaining balance of these convertible loan notes is £nil.

On 22 May, the remaining unsecured shareholder loan of £1,000,000 was repaid in full.

On 5 July, the Company's subsidiary, Ace (North) Limited acquired the freehold of Egerton Park service station, Melton Mowbray for £2,744,852. This was financed by a loan from Coutts & Co of £1,650,000 at an interest rate of SONIA plus 2.75%. The loan is repayable by quarterly repayments of £13,750, with full repayment on the fifth anniversary.

On 20 July, the £10m convertible loan note was renewed for a further two years expiring on 23 May 2025. 370,370 shares were issued at £0.675 in settlement of invoices related to the extension.

Future developments

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

Companies Act S.172

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

- the likely consequences of any decision in the long term. The Group's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the strategic report and the key performance indicators.
- the interests of the Company's employees. Our employees are fundamental to us achieving our long-term strategic objectives. 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 of our day-to-day operations on the environment 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 in 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 pages 6 and 7, but it is also epitomised in our risk management objectives and policies in note 22.2.
- 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 United Kingdom ('UK') adopted International Financial Reporting Standards ("IFRS") 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 UK 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 19 September 2023 and signed on its behalf by:

Laura Yates

Director

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

Opinion

We have audited the financial statements of Ace Liberty & Stone Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted in the United Kingdom (IFRS).

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 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRS; and
- 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 group and parent 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.

Conclusions relating to going concern

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.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Analysing management's and the Directors' cash flow forecast which forms the basis of their assessment that the going concern basis of preparation remains appropriate for the preparation of the Group and Company financial statements for a period of at least twelve months from the date of approval of these financial statements;
- Testing the integrity of the cash flow model;
- Comparing the revenue, costs and results included in the model to actuals achieved in the year and post-year end performance;
- Sensitising the cash flows for changes in key assumptions and considering impact on headroom; and
- Reviewing and considering the adequacy of the disclosure within the financial statements relating to the Directors' assessment of the going concern basis of preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our approach to the audit

In planning 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. 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.

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

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

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year 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.

The use of the Going Concern basis of accounting was assessed as a key audit matter and has already been covered in the previous section of this report. The other key audit matter identified is noted below.

Key audit matter	How our work addressed this matter
Carrying value of investment property The most significant assets of the group as at April 2023 were investment properties of £78.1m. In accordance with IAS 40 Investment Property, entities measuring investment properties at fair value, as per IFRS 13, are required to remeasure the valuation at the end of each reporting period. Given the subjectivity and number of estimates involved in any such assessment, we consider the carrying value of intangible assets to be a key audit matter.	**Our audit work included, but was not restricted to:** • Obtaining copies of the external valuation reports, reviewing the objectivity and independence of the external valuer and reviewing the assumptions used in arriving at the property valuations; • Reviewing managements' assessments; • Reviewing post year end performances compared with forecasts for indications of impairment; • Obtaining completion statements and purchase agreements for additions and ensuring these have been accounted for correctly; • Obtaining completion statements for disposals and ensuring these have been accounted for correctly; and • Checking ownership to the Land Registry.
Convertible loan notes Given the significance of the £10.2m convertible loan notes, the complexity and the subjectivity of the valuation in accordance with IFRS 9, we consider this to be a key audit matter.	**Our audit work included, but was not restricted to:** • Confirming amounts received to drawdowns and confirming liability at year end to confirmation; • Obtaining supporting documentation and examining the key terms and conditions of the loan notes; • Obtaining direct confirmation from convertible loan note holders; • Reviewing board minutes and other appropriate documentation to confirm authorisation of transactions; • Verifying amounts, interest rates and maturities used in management's calculations to supporting documentation; • Gaining an understanding of the transactions throughout the year and ensuring correct treatment and disclosures in the accounts in accordance with IFRS; and • Reviewing the post year end extension of the £10m convertible loan note.
Carrying value of investments in subsidiaries Management are required to perform an annual impairment review of investments. Given the subjectivity and the number of estimates involved in the assessment we consider this to be a key audit matter.	**Our audit work included, but was not restricted to:** • Reviewing the impairment model provided and checking that the value in use model is appropriate; • Testing the integrity of the cashflow model; • Discussing with management the assumptions used and obtaining support for key assumptions; • Reviewing the underlying valuations of assets held by subsidiaries; and • Comparing the market capitalisation of the group with the reported equity funds in the financial statements.
Carrying value of investment in Lebanon Given the uncertainty of the situation in Lebanon, the significance of the £5m investment and the subjectivity involved in the valuation assessment, we consider this to be a key audit matter.	**Our audit work included, but was not restricted to:** • Discuss and review the position of the investment with management and obtain appropriate evidence in respect of the £5m investment in LiBank in Lebanon; • Obtain and review workings for the amortised cost calculation; • Assess the appropriateness of assumptions used in the calculation, inclusive of the interest rate and fair value adjustments; • Challenging assumptions for impairment and considering the approach taken by management; • Writing to and obtaining direct confirmation from LiBank to support the balances recognised; and • Gaining an understanding of the transaction and ensuring correct treatment and disclosures in the accounts in accordance with IFRS.

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

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider gross assets, backed most significantly by the investment property portfolio, to be the most significant determinant of the Group's financial performance used by the users of the financial statements. We have based materiality on 1% of reported gross assets for each of the entities, except for Ace (Luton) Limited, Ace (Barnsley) Limited and Ace (Plymouth) Limited where materiality was set at 1% of group materiality due to the low levels of activity and assets held. Materiality for Ace (EBT) Limited was set at 5% of profit before tax. Overall materiality for the group was therefore set at £890,000. For each component, the materiality set was lower than the overall group materiality.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements of the parent company 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.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 it 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:

- We obtained an understanding of the legal and regulatory frameworks within which the Company operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were employment law, Aquis Listing Rules, and compliance with the Companies Act 2006 and relevant taxation legislation.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Randall FCA

Senior Statutory Auditor

For and on behalf of
RPG Crouch Chapman LLP

Chartered Accountants
Registered Auditor
5th Floor, 14-16 Dowgate Hill
London
EC4R 2SU

Dated: 19 September 2023

Consolidated Statement of Comprehensive Income for the year ended 30 April 2023

	Notes	2023 £	2022 £
Revenue	4	5,557,714	*5,697,850*
Gain / (Loss) on disposal of investment property		(29,442)	*917,203*
Administrative expenses	5	(1,875,448)	*(1,291,943)*
Fair value gain / (loss) on investment property	13	(600,000)	*193,704*
Fair value loss on investments	14	(430,911)	*(797,576)*
Fair value loss on assets held for sale	15	-	*(200,000)*
Loss on disposal of subsidiaries		-	*(412,382)*
Dilapidations settlement		277,954	-
Finance cost	6	(3,382,440)	*(2,792,045)*
Finance income	7	218,916	*751,421*
Profit / (Loss) before taxation	8	**(263,657)**	***2,066,232***
Taxation	11	(41,885)	*(769,427)*
Profit / (Loss) after taxation		**(305,542)**	***1,296,805***
Other comprehensive income – release of equity proportion of CLNs	19	-	*202,302*
Total comprehensive income for the period		**(305,542)**	***1,499,107***
Attributable to:			
Owners of the parent		**(305,542)**	***1,499,107***
Earnings per share on continuing activities		**Pence**	**Pence**
Basic earnings per share attributable to equity owners of the parent	12	(0.48)	*2.55*
Diluted earnings per share attributable to equity owners of the parent	12	(0.48)	*2.03*

All operations are considered to be continuing.

The notes on pages 23 to 37 form part of these financial statements.

Consolidated and Company Statement of Financial Position at 30 April 2023

		Group		Company	
		2023	2022	2023	2022
	Notes	£	£	£	£
ASSETS					
Non-current assets					
Investment property	13	78,106,598	*76,500,343*	-	-
Investments	14	3,810,015	*4,240,851*	3,811,278	*5,092,106*
Deferred tax	11	298,237	*186,738*	-	-
Derivative financial instrument	18	509,292	*326,651*	-	-
		82,724,142	*81,254,583*	3,811,278	*5,092,106*
Current assets					
Assets held for sale	15	-	*850,000*	-	-
Trade and other receivables	16	1,251,468	*533,079*	58,800,539	*55,933,988*
Cash and cash equivalents		6,228,032	*2,245,873*	5,791,265	*1,788,829*
		7,479,500	*3,628,952*	64,591,804	*57,722,817*
TOTAL ASSETS		**90,203,642**	***84,883,535***	**68,403,082**	***62,814,923***
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	17	2,421,557	*3,072,567*	1,150,715	*2,097,702*
Taxation		320,341	*953,280*	97,440	*427,088*
Borrowings	18	29,886,011	*17,644,125*	11,817,540	*26,880,642*
		32,627,909	*21,669,972*	13,065,695	*29,405,432*
Non-current liabilities					
Borrowings	18	23,148,832	*29,225,078*	20,734,008	-
		23,148,832	*29,255,078*	20,734,008	-
Share capital	20	17,806,741	*14,711,713*	17,806,741	*14,711,713*
Share premium		17,010,240	*16,975,362*	17,010,240	*16,975,362*
Other reserve		208,600	*208,600*	208,600	*208,600*
Treasury shares	21	(880,620)	*(480,620)*	-	-
Retained earnings		281,940	*2,573,430*	(422,202)	*1,513,816*
Total equity		34,426,901	*33,988,485*	34,603,379	*33,409,491*
TOTAL EQUITY AND LIABILITIES		**90,203,642**	***84,883,535***	**68,403,082**	***62,814,923***

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 £65,570 (2022: £1,304,249).

The notes on pages 23 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 19 September 2023 and signed on its behalf by:

Laura Yates

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 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 (Note 19)	-	-	-	-	*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*
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(305,542)	(305,542)
Other comprehensive income (Note 19)	-	-	-	-	-	-
	-	-	-	-	(305,542)	(305,542)
Transactions with owners						
Shares issued during the year	3,095,028	34,878	-	-	-	3,129,906
Shares purchased by EBT	-	-	-	(400,000)	-	(400,000)
Dividend on ordinary shares	-	-	-	-	(1,985,948)	(1,985,948)
	3,095,028	34,878	-	(400,000)	(1,985,948)	743,958
Balance at 30 April 2023	**17,806,741**	**17,010,240**	**208,600**	**(880,620)**	**281,940**	**34,426,901**

The notes on pages 23 to 37 form part of these financial statements.

Company Statement of Changes in Equity

	Share capital £	Share premium £	Other reserve £	Retained earnings £	Total equity £
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 19)	-	-	-	*8,883*	*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 at 30 April 2022	*14,711,713*	*16,975,362*	*208,600*	*1,513,816*	*33,409,491*
Total comprehensive income for the year					
Loss for the year	-	-	-	(874,430)	(874,430)
Other comprehensive income (Note 19)	-	-	-	-	-
Dividends from subsidiaries	-	-	-	940,000	940,000
	-	-	-	65,570	65,570
Transactions with owners					
Shares issued during the year	3,095,028	34,878	-	-	3,129,906
Dividend on ordinary shares (Note 12)	-	-	-	(2,001,588)	(2,001,588)
	3,095,028	34,878	-	(2,001,588)	1,128,318
Balance as at 30 April 2023 (Note 12)	**17,806,741**	**17,010,240**	**208,600**	**(422,202)**	**34,603,379**

The notes on pages 23 to 37 form part of these financial statements.

Consolidated Statement of Cash Flows

	2023	2022
	£	£
Profit / (Loss) before tax	(263,657)	*2,066,232*
Cash flow from operating activities		
Adjustments for:		
Finance income	(218,916)	*(751,421)*
Finance costs	3,382,440	*2,792,045*
(Gain) / Loss on disposal of investment	29,442	*(917,203)*
Fair value adjustment	1,030,911	*803,872*
Loss on disposal of subsidiaries	-	*412,382*
(Decrease) / Increase in receivables	(762,949)	*200,258*
Decrease in payables	(839,915)	*(1,789,890)*
Tax paid	(791,055)	*(189,720)*
Interest paid	(2,735,433)	*(2,050,999)*
Other finance costs paid	(455,715)	*(39,469)*
Share issue costs	126,022	-
Net cash (used) / generated by operating activities	(1,498,825)	*536,087*
Cash flows from investing activities		
Interest received	4,986	*825*
Purchase of investment properties	(2,206,255)	-
Sale of investment properties	820,558	*4,317,203*
Sale of subsidiaries	-	*5,067,061*
Investment into LiBank	-	*(37,747)*
Net cash (used) / generated by investing activities	(1,380,711)	*9,347,342*
Cash flows from financing activities		
Share issue, net of issue costs	2,980,484	-
Purchase of treasury shares	(400,000)	-
Long-term loans advanced	23,227,500	-
Long-term loans repaid	(1,093,450)	*(761,950)*
Short-term loans repaid	(15,890,751)	*(9,788,969)*
Equity dividend paid	(1,962,088)	-
Net cash generated / (used) by financing	6,861,695	*(10,550,919)*
Net increase / (decrease) in cash and cash equivalents	**3,982,159**	***(667,490)***
Cash and cash equivalents at the beginning of the period	2,245,873	*2,913,363*
Cash and cash equivalents at the end of the period	**6,228,032**	*2,245,873*

The notes on pages 23 to 37 form part of these financial statements.

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 £65,570 (2022: £1,304,249).

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). 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

The Company financial statements have been prepared in compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) ("FRS 101").
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; and
- 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; and
- 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 2022 that would be expected to have a material impact on the Group.

The following new standards amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 May 2022 and have not been early adopted. The Directors anticipate that the adoption of these standard and the interpretations in future periods will have no material impact on the financial statements of the Group.

The new standards include:

IFRS 17	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023) ***1***
IAS 1	Amendments regarding the disclosure of accounting policies ***1***
IAS 8	Amendments regarding the definition of accounting estimates ***1***
IAS 12	Amendments regarding deferred tax on leases and decommissioning obligations ***1***
IAS 12	Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes ***1***
IFRS 4	Amendments regarding the expiry date of the deferral approach ***1***
IAS 7 / IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) ***2***
IFRS 16	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions ***2***
IAS 1	Amendments regarding the classification of liabilities ***2***
IAS 1	Amendment to defer the effective date of the January 2020 amendments ***2***
IAS 1	Amendments regarding the classification of debt with covenants ***2***

1 *Effective for annual periods beginning on or after 1 January 2023*

2 *Effective for annual periods beginning on or after 1 January 2024*

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 2023. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

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

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

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

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

2.4 Foreign currency

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

2.5 Cash and Cash Equivalents

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

2.6 Key accounting estimates and judgements

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

The most significant estimates made in preparing these accounts relate to the valuation of the Group's investment properties. The fair value of the investment property is determined by the directors with reference to independent property valuation experts to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – 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 using techniques commonly used by market participants. These 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 Cash Contribution to Capital in Lebanon is held at amortised cost calculated using a discounted cashflow calculation, where a discount rate is required. 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 characteristics. See Note 14 for further details.

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.

Notes to the Consolidated Financial Statements (continued)

2.8 Deferred tax (continued)

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

2.9 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 with reference to an 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 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 the income statement for the period in which they arise. 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 are 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 at 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 and included in current or non-current assets, depending on the nature of the transaction. They 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.

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 or non-current liabilities depending on the nature of the transaction. They 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 in the previous year (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 of two facilities due to expire during the Going Concern period;
- The impact of rising interest rates and inflation.

Two banking facilities totalling £18,025,750 at balance sheet date will expire in April 2024. Both loans are held with Coutts & Co under Ace (North) Limited. The Company is in early-stage discussions with the lender, along with other interested parties in renewing terms for the loan, and believes financing will be available at terms similar to those currently in place on the existing facilities.

The investment in LiBank is treated as a long-term loan therefore cash flow from this investment has not been included in the Going Concern assessment, which runs until September 2024. However, it remains the company's intention to use these funds for investment once circumstances allow. See note 14 for further detail.

	Group	
	2023	**2022**
4 Revenue	**£**	**£**
Revenue comprises the following		
Rental income	5,557,714	*5,697,850*
The Group's aggregate minimum future lease receipts at current annual rents are as follows:		
Up to one year	5,516,809	*5,331,025*
More than one year but less than five years	17,380,335	*18,447,831*
More than five years	15,278,451	*14,009,429*
	38,175,595	*37,788,285*

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 46% (2022: 49%) of the Group's income at the date of this report. Major industrial and commercial companies represent 52% (2022: 49%). 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	600,854	*527,000*
Directors' National Insurance	67,049	*59,626*
Staff costs	237,962	*148,853*
Operating expenses of investment properties	326,806	*75,760*
Legal and professional fees	474,823	*406,120*
Other costs	167,954	*85,996*
Sundry income	-	*(11,412)*
	1,875,448	*1,291,943*

Other costs include £38,000 *(2022: £38,000)* for lease costs exempt from capitalisation as they are considered short-term leases.

6 Finance cost		
Bank interest	2,079,841	*1,485,295*
Convertible loan interest	815,260	*893,917*
Other loan interest	206,412	*108,325*
Other finance costs	280,927	*304,508*
	3,382,440	*2,792,045*

Notes to the Consolidated Financial Statements (continued)

	Group	
	2023	2022
7. Finance Income	£	£
Bank and other interest	36,275	*825*
Change in fair value of derivative financial instruments	182,641	*750,596*
	218,916	*751,421*

8 Profit before tax

Profit/ (Loss) before tax is stated after charging the following:		
Operating lease rentals – land and buildings	38,000	*38,000*
Other services – tax compliance	41,755	-
Auditors' remuneration:		
Audit of parent and consolidation	74,500	*40,000*
Audit of subsidiaries	10,000	*9,250*
Other services – tax compliance	-	*24,380*
Total fees payable to the auditor	84,500	*73,630*

	Group and Company	
9 Staff Costs	£	£
During the year, the Company employed two employees *(2022: two)* who worked in a financial capacity for the year.		
Salary	207,317	*131,900*
Pension	3,745	*2,456*
Social security costs	26,900	*14,497*
	237,962	*148,853*

10 Directors' remuneration

Director's fee			
Keith Pankhurst		10,769	*13,000*
Ismail Ghandour		276,000	*261,000*
Ivan Minter		176,000	*144,000*
Dr Tony Ghorayeb		56,000	*66,000*
Kayssar Ghorayeb		12,923	*15,000*
Mark Thomas	*Resigned 10 October 2022*	59,846	*13,000*
Hikmat El-Rousstom	*Resigned 2 February 2023*	9,316	*15,000*
Nicholas Jones	*Appointed 28 April 2023*	534	-
Laura Yates	*Appointed 28 April 2023*	748	-
		602,136	*527,000*

Notes to the Consolidated Financial Statements (continued)

	Group	
	2023	2022
11 Taxation	£	£
Current year tax		
UK corporation tax	182,586	707,678
Adjustment in respect of previous periods	(29,202)	*24,946*
	153,384	*732,624*
Deferred tax		
Origination and reversal of timing differences	(111,499)	*36,803*
Total tax charge for period	41,885	*769,427*

Reconciliation of current tax charge		
Profit / (Loss) on ordinary activities before tax	(263,657)	*2,066,232*
Total tax on profit / (loss) on ordinary activities for the year at an effective rate of 19.5% (2022: 19%)	(51,395)	*392,584*
Effects of:		
Expenditure / (income) not deductible for tax purposes / taxable	124,887	*351,897*
Other timing differences	(7,865)	-
Timing difference on property valuations	116,959	*(36,803)*
Prior period adjustments	(29,202)	*24,946*
Losses carried forward	-	-
	153,384	*732,624*

A potential deferred tax asset of approximately £Nil *(2022: £46,109)* 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 £Nil *(2022: £242,677).*

Deferred tax		
Balance at 1 May 2022	186,738	*140,054*
Charge for the period	114,000	*(36,803)*
Tax rate increase from 19% to 25%	29,159	-
Overprovided in prior year	(31,660)	-
Disposal of subsidiaries	-	*83,487*
Balance at 30 April 2023	298,237	*186,738*
Current	-	-
Non-current	298,237	*186,738*
	298,237	*186,738*

Deferred tax comprises:		
Revaluations of investment property assets to fair value	298,237	*186,738*
	298,237	*186,738*

The Finance Act 2021 sets the main rate of UK corporation tax at 19% with an increase in the main rate to 25% with effect from 1 April 2023. The deferred tax asset has been calculated on the basis of 25%.

Notes to the Consolidated Financial Statements (continued)

12 Earnings per share

	Group 2023 £	2022 £
The calculations of earnings per share are based on the following earnings and numbers of shares.		
Profit / (Loss) for the period attributable to equity owners	(305,542)	*1,499,107*
	shares of 25p	**shares of 25p**
Weighted average number of shares		
For basic earnings per share	63,997,280	*58,780,517*
Dilutive effect of share options	14,568,122	*14,940,383*
For diluted earnings per share	78,595,402	*73,720,900*
	pence	**pence**
Earnings per share		
Basic	(0.48)	*2.55*
Diluted	(0.48)	*2.03*
	£	**£**
Dividends declared during the year – per share of 25p	0.034	-
Dividends declared during the year – total	2,001,588	-

As at 30th April 2023 the Company is in an accumulated loss position. However, as at the date of the dividend declaration in September 2022, there was sufficient distributable reserves available to make the payment.

13 Investment property

	2023 £	2022 £
Valuation at 1 May 2022	76,500,343	*79,706,639*
Purchases during the year at cost	2,206,255	-
Transfer to assets held for sale	-	*(3,400,000)*
Fair value loss	(600,000)	*193,704*
Valuation at 30 April 2023	78,106,598	*76,500,343*

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 after assessing their knowledge, independence and reputation for valuing assets such as those held by the Group. All properties owned by the group at 30 April 2023 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	78,106,598

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 2023 is £78,106,598 *(2022: £76,500,343)*. 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 £79,131,623 *(2022: £76,925,398)*.

Notes to the Consolidated Financial Statements (continued)

	Group		Company	
	2023	2022	2023	2022
14 Investments	£	£	£	£
Cost at 1 May 2022	4,240,851	*5,000,680*	5,092,106	*6,459,395*
Fair value adjustment of investment	(430,911)	*(797,576)*	(1,280,903)	*(797,576)*
Disposal of subsidiaries	-	-	-	*(607,460)*
Foreign exchange movement	75		75	-
Investment into LiBank	-	*37,747*	-	*37,747*
Cost at 30 April 2023	3,810,015	*4,240,851*	3,811,278	*5,092,106*

Following a capital raise in Lebanon in 2020, £1.4 million was remitted to the UK with the balance remaining on deposit in LiBank, in Lebanon. However, following a period of uncertainty in the Lebanese economy after the Beirut port explosion in August 2020, 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. 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 remains prudent to hold the loan at amortised cost based on a discounted cash flow which has been extended by one year and the interest rate increased to 15% (2022: 9%) recognising an adjustment at 30 April 2023. The Directors continue to closely monitor the economic situation in Lebanon and review the valuation assumption periodically along with the associated credit risk, see Note 22.2.

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.

Holdings of more than 20%

The Company holds 100% 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	63

The registered office for all subsidiaries is 3a Pont Street, London SW1X 9EJ except for Lantana Properties Limited which is Woodbourne Hall, PO Box 3162, Road Town, Tortola, BVI and Radcliff Property Limited which is 25 Mason Complex, Stoney Ground, PO Box 193, The Valley, British Anguilla. The principal place of business for all subsidiaries is the United Kingdom.

	Group	
	2023	2022
15 Assets held for sale	£	£
Fair value at 1 May 2022	850,000	*10,229,921*
Sale during the year	(850,000)	*(9,179,921)*
Fair value loss	-	*(200,000)*
Fair value at 30 April 2023	-	*850,000*
Willow House, Aldershot	-	*850,000*

The sale of Willow House completed on 29th July 2022.

Notes to the Consolidated Financial Statements (continued)

	Group		Company	
	2023	2022	2023	2022
16 Trade and other receivables	£	£	£	£
Trade receivables	86,689	*122,587*	-	-
Other receivables	1,076,238	*348,705*	1,995	-
Amounts due from subsidiary companies	-	-	58,749,728	*56,047,070*
Bad debt provision	-	-	-	*(134,659)*
Prepayments and accrued income	88,541	*61,787*	48,816	*21,577*
	1,251,468	*533,079*	58,800,539	*55,933,988*
Current	1,251,468	*533,079*	58,800,539	*55,933,988*
Non-current	-	-	-	-
	1,251,468	*533,079*	58,800,539	*55,933,988*

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

Other receivables include £631,453 *(2022: £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.

17 Trade and other payables				
Trade payables	49,142	*148,195*	-	*1*
Taxation and social security	794,485	*1,589,037*	587,001	*1,387,619*
Other payables	59,546	*99,360*	32,804	*69,934*
Amounts due to subsidiary companies	-	-	117,121	*239,309*
Accruals and deferred income	1,518,384	*1,235,975*	413,789	*400,840*
	2,421,557	*3,072,567*	1,150,715	*2,097,702*
Current	2,421,557	*3,072,567*	1,150,715	*2,097,702*
Non-current	-	-	-	-
	2,421,557	*3,072,567*	1,150,715	*2,097,702*

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

18 Borrowings				
Other loans	11,154,766	*11,371,217*	11,154,766	*11,371,217*
Bank loans	42,253,800	*35,708,901*	21,693,750	*15,589,151*
Unamortised issue costs	(373,723)	*(210,915)*	(296,968)	*(79,726)*
	53,034,843	*46,869,203*	32,551,548	*26,880,642*
Current	29,886,011	*17,644,125*	11,817,540	*26,880,642*
Non-current	23,148,832	*29,225,078*	20,734,008	-
	53,034,843	*46,869,203*	32,551,548	*26,880,642*

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

Notes to the Consolidated Financial Statements (continued)

18 Borrowings (continued)

Details of security and interest rates

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, at a margin of 3.00% above SONIA, followed by two further extensions to August 2022 and November 2022 with margins of 3.75% and 4.25% above SONIA respectively. 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 £15,244,151. 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 SONIA 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 £50,125 with full repayment on 30 April 2024.

The Company's subsidiary, Ace (North) Limited, drew down two further loans to finance acquisitions, the first on 26 August 2020 for £625,000 and the second on 7 December 2020 for £855,000 at an interest rate of SONIA 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.

During the year, the Company's subsidiary, Ace (North) Limited, drew down a loan to finance an acquisition on 1 February 2023 for £1,200,000 at an interest rate of SONIA plus 2.75%. The loan is repayable by quarterly repayments of £10,000, 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 2023 loans to a value of £1,000,000 (2022: £1,000,000) were still outstanding. The £1,000,000 was repaid on 22 May 2023.

For details regarding the convertible loan notes see Note 19.

Interest rate swaps

The Group has entered into interest rate swap contracts with notional amounts of £14,325,250 (2022: £15,025,750). The interest rate swap contract pays a fixed rate of interest between 1.12% and 1.16%, and receives a variable rate based on SONIA on the notional amount. 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 rate	Notional Amount	2023	2022
				Fair value	
			£	£	£
Swap	25/04/2024	1.12%	8,611,000	306,433	*198,906*
Swap	24/04/2024	1.16%	5,714,250	202,859	*127,745*
			14,325,250	509,292	*326,651*
Current				509,292	-
Non-current				-	*326,651*
				509,292	*326,651*

Notes to the Consolidated Financial Statements (continued)

19 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. On 20 July 2023, the instrument was renewed at 6% for a further two year period ending on 23 May 2025.

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 2023, holders of CLNs to a value of £1,838,700 (2022: £1,838,700) had converted their holdings into ordinary shares of 25p and holders of a further £3,375,000 (2022: £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 2023, CLNs to a value of £50,000 (2022: £375,000) remained outstanding.

The convertible notes are presented in the balance sheet as follows:	Group and Company	
	2023	**2022**
	£	**£**
Face value of the convertible loan notes in issue as at the year end	10,050,000	*10,375,000*
Equity element	(208,600)	*(208,600)*
Liability component on initial recognition	9,841,400	*10,166,400*
Liability component at the start of the period	10,291,491	*10,559,814*
Issue of convertible loan notes	9,996,218	*9,791,400*
Interest charged at effective interest rate	708,549	*767,753*
Interest paid/redemption	(10,921,218)	*(10,800,000)*
Finance cost capitalised	-	*(150,000)*
Finance cost expensed in year	75,000	*122,524*
Liability component at the end of the period	10,150,040	*10,291,491*

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.

Other comprehensive income	-	*202,302*

20 Share capital

Authorised, issued and fully paid share capital is as follows:

71,226,962 *(2022: 58,846,850)* ordinary shares of £0.25 each	17,806,741	*14,711,713*

	shares of 25p	**shares of 25p**
Shares in issue at 1 May 2022	58,846,850	*58,505,850*
Shares issued during the year	12,380,112	*341,000*
Shares in issue at 30 April 2023	71,226,962	*58,846,850*

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 Warrant holder 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. On 5 May 2021 & 4 April 2023, 500,000 warrants were extended to 3 June 2022 & 3 June 2023 respectively under the same terms. No warrants were exercised in the year (2022: Nil) and 500,000 warrants were outstanding at the year end (2022: 500,000).

In relation to the 5% convertible loan note, a total of 5,263,700 warrants were issued which entitled the Warrant holder 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. All warrants have expired.

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

	2023		**2022**	
	Weighted average exercise price in £ per warrant	**Warrants**	**Weighted average exercise price in £ per warrant**	**Warrants**
At 1 May 2022	0.95	500,000	*0.95*	*1,100,000*
Issued during year	-	-	-	-
Expired during year	-	-	-	*(600,000)*
At 30 April 2023	(0.95)	500,000	*0.95*	*500,000*

Notes to the Consolidated Financial Statements (continued)

21 Reserves – Company and Group

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

Other reserve. Convertible Loan Notes issued by the Company are fully explained in note 19. 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 1,460,000 *(2022: 460,000)* £0.25 shares with a nominal value of £365,000 *(2022: £115,000)* During the year, Ace (EBT) Limited purchased 1,000,000 £0.25 shares from LiBank at a price of £0.40 per share for a total consideration of £400,000. The acquisition of shares will further incentivise employees by giving them a direct stake in the Company and reward good performance.

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

22 Financial instruments

22.1 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	
	2023	**2022**
Loans and receivables	**£**	**£**
Cash and cash equivalents	6,228,032	*2,245,873*
Trade and other receivables	1,251,468	*533,079*
Derivative financial instrument	509,292	*326,651*
	7,988,792	*3,105,603*
Other financial liabilities		
Borrowings	53,034,843	*46,869,203*
Trade and other payables	2,421,557	*3,072,567*
	55,456,400	*49,941,770*

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.

22.2 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, creditworthy 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 creditworthy customers or financial institutions and are automatically settled within a few days of arising.

The Company holds a cash contribution to capital investment in LiBank which has an inherent risk due to the current economic conditions in Lebanon. It remains the Directors intention to remit the funds to the UK or utilise the funds for investment when possible. However given the uncertainty of the timing, the investment is not included in the Going Concern assessment of the business. Further detail is provided in Note 14.

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**	**Total**
	£	**£**	**£**	**£**
Mortgages secured on investment properties	18,792,450	23,461,350	-	42,253,800
Convertible loan notes	10,154,766	-	-	10,154,766
Unsecured loan	1,000,000	-	-	1,000,000
	29,947,216	23,461,350	-	53,408,566

Notes to the Consolidated Financial Statements (continued)

22.2 Financial risk management objectives and policies (continued)

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, 48% of the group's borrowings were either hedged or fixed rate. The Directors will review the hedging arrangements periodically and will seek further hedges when appropriate.

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 2023 was in the range 3.8% to 7.1% (2022: 3.4% to 3.9%). Of the Group's borrowings at 30 April 2023, £18,025,750 (2022: £26,396,965) 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 £279,286 (2022: £206,832). 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	509,292

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.

22.3 Capital Structure

The Group sets the amount of capital in proportion to risk and monitors this in accordance with economic conditions and the risk profile of underlying assets. Capital consists of share capital, share premium account, share option reserve, other reserve, 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 refinancing the property portfolio.

	Group	
	2023	**2022**
	£	**£**
Total debt	53,408,566	*47,080,118*
Less cash and cash equivalents	(6,228,032)	*(2,245,873)*
Net debt	47,180,534	*44,834,245*
Total equity	34,426,901	*33,988,485*
Debt to equity	137%	*132%*

22.4 Financial assets

Financial assets are disclosed in notes 16 and 22.1. The Group's principal financial assets are bank balances and trade and other receivables. The directors have a policy of only acquiring properties which have tenants with a high credit rating to minimise the risk of non-payment. Short-term cash deposits are placed only with banks with a high credit rating.

Notes to the Consolidated Financial Statements (continued)

23 Related party transactions

Ismail Ghandour, a Director of the Company, has an interest in 3 Pont Street Limited, Hind Property Company Limited and Hind Commercial Limited, which provides services to the Group. During the year, the Group incurred costs of £38,000 (2022: £38,000) in respect to rent and £15,000 (2022: £Nil) in respect to repairs and decorating charged by 3 Pont Street Limited, incurred £11,770 (2022: £47,840) by Hind Property Company Limited in respect to property management fees and incurred £15,000 (2022: £Nil) by Hind Commercial Limited in respect to property costs.

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. On 27th April 2023, a Supplemental Agreement was entered into where a further deposit of £330,078 was paid to Hind Property Company Limited and entitled Ace (Hulme) Limited to the full benefit of the rental income less the Seller's costs and expenses until completion. 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 2023.

Mark Thomas, a Director of the Company who resigned during the year, has an interest in Maybridge Commercial Limited, which provides services to the Group. During the year, the Group incurred costs of £23,413 (2022: £53,173) charged by Maybridge Commercial Limited in respect to surveyor fees.

During the year, the Group incurred costs of £14,000 (2022: £8,795) charged by Nicholas Jones, a Director of the Company, in respect to surveyor fees incurred prior to his appointment.

Dr. Tony Ghorayeb and Kayssar Ghorayeb, Directors of the Company, have an interest in LiBank with which the Group has cash deposits and investments. At 30 April 2023, the Group had £94,415 (2022: £nil) in cash deposits and £3,810,015 (2022: £4,240,851) in investments with LiBank.

Dr. Tony Ghorayeb, a Director of the Company, also has an interest in Peterhouse Capital Limited. During the year, the Group incurred commission expenses of £80,000 (2022: Nil) charged by Peterhouse Capital Limited.

24 Post balance sheet events

On 12 May, £50,000 was converted in settlement of the 5% convertible loan notes. The interest of £13,404 due on the loan notes was settled via shares issued at £1.00 per share. The remaining balance of these convertible loan notes is £nil.

On 22 May, the remaining unsecured shareholder loan of £1,000,000 was repaid in full.

On 5 July, the Company's subsidiary, Ace (North) Limited acquired the freehold of Egerton Park service station, Melton Mowbray for £2,744,852. This was financed by a loan from Coutts & Co of £1,650,000 at an interest rate of SONIA plus 2.75%. The loan is repayable by quarterly repayments of £13,750, with full repayment on the fifth anniversary.

On 20 July, the £10m convertible loan note was renewed for a further two years expiring on 23 May 2025. 370,370 shares were issued at £0.675 in settlement of invoices related to the extension.

25 Capital Commitments

The Company's subsidiary Ace (Hulme) Limited has exchanged contracts with Hind Property Limited for the acquisition of the long leasehold of Hunters Row, Stafford for the purchase price of £1,260,000. The completion will take place by 31 December 2023 or earlier by mutual agreement of the parties.

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 2023

Notice of the Annual General Meeting of Ace Liberty & Stone Plc (the "**Company**") to be held at 11.00 a.m. on 24 October 2023, at 16 High Holborn, London, England, WC1V 6BX is set out on pages 42 to 44 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 a.m. on 20 October 2023. 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 which 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	26 September 2023
Latest time and date for receipt of Form of Proxy	11.00 a.m. on 20 October 2023
Annual General Meeting	11.00 a.m. on 24 October 2023

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

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

Definitions

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

"**Act**"	Companies Act 2006
"**Board**" or "**Directors"**	the Directors of the Company, whose names are set out on page 2 of this Document
"**Company**"	Ace Liberty & Stone Plc
"**Annual General Meeting**" or "**AGM**"	the Annual General Meeting of the Company convened for 11.00 a.m. on 24 October 2023 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)

26 September 2023

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 24 October 2023.

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 2023 and the consolidated accounts of the Company and its subsidiaries for the same period, the reappointment of Laura Yates and Nicholas Jones, who are directors that were appointed by the Board since the last AGM held in 2022, and who are required to retire at this AGM pursuant article 24.2 of the Articles of Association of the Company, the reappointment of Kayssar Ghorayeb and Ismail Ghandour, who are required to retire by rotation at this AGM pursuant article 30.2 of the Articles of Association of the Company and the appointment of RPG Crouch Chapman LLP as auditors.

SPECIAL BUSINESS

Resolution 7 - 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 7 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 £3,754,000 This authority will expire at the next annual general meeting or, if later, fifteen months after the passing of the resolution.

Resolution 8 – 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 8) will be proposed at the AGM, subject to the passing of resolution 7, 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 £179,000, *i.e.* up to 716,000 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 £3,575,000 which would provide for up to 14,300,000 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 2024, whichever is the earlier.

ACTION TO BE TAKEN

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

- by visiting 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 12 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 20 October 2023.

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 24 October 2023 at 16 High Holborn, London, England, WC1V 6BX,the "**Meeting**") to consider and if thought fit, to pass resolutions 1 to 7 as ordinary resolutions of the Company and resolution 8 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 2023, 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 Laura Yates, a Director appointed by the Board since the last Annual General Meeting held in 2022 and who is required to retire in accordance with article 24.2 of the Articles of Association, be and is hereby re-elected as a Director of the Company.
3. That Nicholas Jones, a Director appointed by the Board since the last Annual General Meeting held in 2022 and who is required to retire in accordance with article 24.2 of the Articles of Association, be and is hereby re-elected as a Director of the Company.
4. That Kayssar Ghorayeb, a Director retiring by rotation in accordance with the Company's Articles of Association, be and is hereby re-elected as a Director of the Company.
5. That Ismail Ghandour, 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.
6. To appoint RPG Crouch Chapman LLP Chartered Accountants as auditors of the Company and to authorise the Directors to fix the remuneration of RPG Crouch Chapman LLP Chartered Accountants.

SPECIAL BUSINESS

As an Ordinary Resolution

7. 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 £3,754,000 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 2024 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

8. 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 7 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 7 being passed, up to an aggregate nominal amount of £179,000 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 £3,575,000 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 fifteen 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 2024 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: 26 September 2023

By order of the Board

Laura Yates *Secretary*

Registered office: C/O Bracher Rawlins LLP, 16 High Holborn, London, England, WC1V 6BX

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, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX . 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, 3 The Millenium Centre, Crosby Way, Farnham, Surrey, GU9 7XX; and

   (c) received by the Company's registrars no later than 11.00 a.m. on 20 October 2023.

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 11.00 a.m. on 20 October 2023 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 via the online voting system

10. You may submit your proxy vote electronically by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions. To be valid, your proxy appointment and instructions should reach Share Registrars by no later than 11:00 a.m. on 20 October 2023.

Appointment of proxies through CREST

11. 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.

Notice of Annual General Meeting (continued)

Notes (continued)

12. 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 & International 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, Share Registrars Limited (ID 7RA36), by **11.00 a.m. on 20 October 2023**. 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.

13. 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.

14. 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

15. 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

16. 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.

17. 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.

18. 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

19. 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, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX (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.

20. The revocation notice must be received by the Company no later than 11.00 a.m. on 20 October 2023.

21. 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.

22. 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

23. 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

24. 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.


M&S FOOD


Gala bingo
CLUB ONLINE MOBILE
WELCOME TO GALA MIDDLESBROUGH


SPAR
COSTA

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