

REGISTERED NUMBER: 06223892 (England and Wales)

ACE LIBERTY & STONE PLC

**DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 APRIL 2014

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2014

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Company Information, Directors and Advisors

Directors: Keith Pankhurst - Non Executive Chairman
Ismail Ghandour MBA - Chief Executive
Mark Thomas MRICS, IRRV - Commercial Director
Kayssar Ghorayeb - Non Executive Director
Ivan Minter FCA - Finance Director (Appointed 06 June 2013)
Dr Anthony Ghorayeb - Non Executive Director (Appointed 19 September 2013)

Company Secretary: International Registrars Limited

Registered Number: 06223892 (England and Wales)

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

Bankers: HSBC Private Bank Plc
78 St James's Street
London
SW1A 1JB

Santander Corporate & Commercial Banking
3rd Floor
One Dover Street
London
W1S 4LA

Auditors: Merali's
Chartered Accountants and Statutory Auditors
Scottish Provident House
76-80 College Road
Harrow, Middlesex
HA1 1BQ

Accountants and Tax Advisors: Baker Tilly Tax and Accounting
25 Farringdon Street
London
EC4A 4AB

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Chairman's Statement

I am pleased to make my first statement to shareholders and present the consolidated financial results of Ace Liberty and Stone Plc. for the year ended 30 April 2014.

Business and operations

The Group has purchased three properties during the year: Hillcrest House in Leeds was purchased on 30 October 2013; Princegate House, Doncaster, on 23 December 2013; and Hume House Leeds on 27 March 2014. These properties are fully let to government departments. In addition, the sale of the tower building in Sheffield, referred to in last year's statement has been completed by Radcliff Property Limited at a satisfactory value to the group. Negotiations continue with the aim of purchasing a plot of land in Eastern France with potential for development as a ski resort; other property purchases are at an advanced stage and will be announced as they are finalised.

Shareholder Investment

During the year under review, new shareholders invested £3.472m (net of fundraising costs) in new ordinary shares of the Company. This includes the conversion of a £1m loan into equity. The period since 30 April 2014 has seen continued interest from new and existing investors and further subscriptions of new funds are expected to be announced in the next few weeks. The Company is currently capitalised on ISDX at £14.8m.

Corporate Governance

The Company has continued to build on the changes announced last year and the new Board committees have operated as expected. The Directors place great importance on good governance to maintain stakeholder confidence and will continue to follow best practice.

Financial Results

The consolidated profit for the year after taxation was £408,216 (2013: £140,879 restated) on consolidated revenue of £1,097,052 (2013: £959,574 restated). The Company's earnings fluctuate from year to year as profits are realised from property sales and an important indicator of the group's strength is the total equity attributable to owners which now stands at £8,244,105 (2013: £3,871,550 restated). I draw your attention to the change of accounting policy this year as a result of the adoption of IFRS 10 which results in the consolidation of Radcliff Property Limited, previously reported as an investment. The Board is very pleased with the result of the year's activities and believe the Group is well-placed to capitalise on future events in the property market.

Dividend

It was a major landmark when Ace paid its maiden interim dividend of 2.4% in respect of the year under review on 30 May 2014. The Directors are delighted to be able to repay shareholders' support for the Group in this way. The Group is building a portfolio of revenue-generating properties to provide future income which will be supplemented by sales of properties when profits can be secured in accordance with the Group's strategy. The Board are committed to the payment of future dividends provided income supports this strategy.

Outlook

Economic data supports the view that the UK is now emerging from the worst recession in recent memory. The progress of this recovery has opened opportunities for the Group to acquire properties at sensible valuations with the opportunity for capital growth. The Directors are alive to the changes in the pattern of the recovery and will adapt their strategy accordingly to acquire properties at advantageous prices.

Keith Pankhurst

Chairman

Date: 23 September 2014

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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 ISDX Growth Market and, as such, Ace Liberty & Stone plc is not required to comply with all aspects of The Combined Code on Corporate Governance. However, the Board is committed to maintaining the highest standards appropriate to a company of this size and nature.

The Board

The Board currently comprises the Non-Executive Chairman, the Chief Executive, 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 and directors who have reached the age of seventy years retire annually.

The Board meets at least quarterly throughout the year. Its 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.

Nomination

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

Audit

The Audit Committee comprises Kayssar Ghorayeb (chairman), Keith Pankhurst and Ivan Minter. The Chief Executive and external auditor attend its meetings by invitation. The Committee reviews the audit appointment periodically, discusses the audit plan with the auditor and recommends approval of the financial statements to the Board. As there are no employees apart from the directors, internal controls are the direct responsibility of the directors.

Remuneration

The Remuneration Committee comprises Tony Ghorayeb (chairman), Kayssar Ghorayeb and Mark Thomas. It meets regularly and determines on behalf of the Board the remuneration package of the executive directors. Non-executive directors are unpaid, rendering fee invoices where appropriate for services rendered to the company in their professional capacity. 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, are granted to compensate for the low level of ongoing income.

The Board believes in an open and regular dialogue with its shareholders. Information is provided to shareholders in the interim and annual financial statements; published financial statements and ISDX announcements are posted to the Company's website. The Board's strategy is to increase the frequency of trading updates in line with the expansion of the Group's activities. All shareholders are encouraged to attend the Annual General Meeting.

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

Strategic Report

Purpose

This review is to inform members of the Company and help them assess the directors' performance in promoting the success of the Company

Principal activity and review of business

The principal activity of the group continues to be that of property investment.

During the year the Company acquired three properties and sold one. Each property owned by the Group has increased in value.

An overall review of business is given in the Chairman's Statement on pages 3 to 4.

The Board is required to report against key financial performance indicators for the year. The achievements against these indicators for the year ended 30 April 2014 are summarised below:-

- The group's profit for the year was £408,216 (2013: £140,879 restated).
- Total equity attributable to owners of the parent amounted to £8,244,105 (2012: £3,871,550 restated).

Principal risks and uncertainties

The Directors consider that the principal risk for the Group is in respect of the valuation of the Group's interest in 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.

Future developments

The directors consider that the programme of investment undertaken since the ISDX listing will continue and will result in an increase in the group's assets in the future. Further details are provided in the Chairman's Statement on page 3.

The Strategic Report was approved by the Board on 23 September 2014 and signed on its behalf by:

Ivan Minter
Director

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Directors' Report

The Directors present their report with the audited consolidated financial statements for the year ended 30 April 2014.

Dividends

The Directors declared an interim dividend for the year ended 30 April 2014 of 2.4%. This was paid on 30 May 2014.

Directors

The following Directors have held office since 1 May 2013, unless otherwise stated:

Mark Thomas
Ismail Ghandour
Keith Pankhurst
Kayssar Ghorayeb
Mark Eichhorn (Resigned 6 June 2013)
Ivan Minter (Appointed 6 June 2013)
Dr Anthony Ghorayeb (Appointed 19 September 2013)

Going concern

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

Charitable and political donations

£3,000 was donated to Make a Wish Foundation UK on 27 May 2013

Auditors

Merali's have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Statement of directors' responsibilities

The Directors are responsible for preparing the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss for that period. In preparing those consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and of the Group and to prevent and detect 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 believe there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that ought to have been taken to ensure they are aware of all audit information and to establish that the company's auditors have been informed.

The Directors' Report was approved by the Board on 23 September 2014 and signed on its behalf by:

Ivan Minter
Director

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

Report on the consolidated financial statements

We have audited the consolidated financial statements of Ace Liberty and Stone Plc for the year ended 30 April 2014 which comprises of the consolidated statement of comprehensive income, consolidated and company statement of financial position, consolidated and company statement of changes in equity, consolidated and company cash flow statement and the related notes to the consolidated financial statements. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the consolidated financial statements. In addition we read all the financial and non-financial information in the consolidated financial statements to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on consolidated financial statements

In our opinion:

- the parent financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006;
- the consolidated financial statements give a true and fair value of the state of the affairs of the group as at 30 April 2014 and of the profit for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the consolidated financial statements of the group have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

Matters on which we are required to report by exception

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

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

Ihsan Mustafa FCCA (Senior Statutory Auditor)

for and on behalf:

Merali's

Chartered Accountants & Statutory Auditors

Scottish Provident House

76-80 College Road

Harrow

HA1 1BQ

Date: 24/09/2014

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Consolidated Statement of Comprehensive Income

		2014	2013
	Notes	£	Restated £
Revenue	4	1,097,052	959,574
Gain on disposal of investment property		72,793	-
Administrative expenses	5	(1,019,360)	(634,445)
Fair value adjustments		807,133	49,370
Finance cost	5 (a)	(200,065)	(172,310)
Finance income	5 (b)	29,218	7,500
Credit to equity for share-based payments		(267,980)	-
Profit before tax	6	<u>518,791</u>	<u>209,689</u>
Taxation	9	(110,575)	(68,811)
Profit for the year		<u>408,216</u>	<u>140,879</u>
Attributable to:			
Owners of the parent		398,842	190,963
Non-controlling interest		9,374	(50,084)
		<u>408,216</u>	<u>140,879</u>
Earnings per share			
		Pence	Pence
<i>Basic earnings per share attributable to equity owners of the parent</i>	10	<u>0.12</u>	<u>0.08</u>
<i>Diluted earnings per share attributable to equity owners of the parent</i>	10	<u>0.12</u>	<u>0.08</u>

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Consolidated and Company Statement of Financial Position

	Notes	Group		Company	
		2014 £	2013 Restated £	2014 £	2013 £
ASSETS					
Non-current assets					
Investment property	11	10,032,267	9,271,000	-	-
Investments	12	-	-	2,067,578	2,434,504
Other receivables	14	-	-	2,724,850	-
		<u>10,032,267</u>	<u>9,271,000</u>	<u>4,792,428</u>	<u>2,434,504</u>
Current assets					
Trade and other receivables	14	440,257	148,657	2,318,857	1,168,468
Cash and cash equivalents		3,122,330	2,393,693	2,915,324	2,263,363
		<u>3,562,587</u>	<u>2,542,350</u>	<u>5,234,181</u>	<u>3,431,831</u>
TOTAL ASSETS		<u>13,594,854</u>	<u>11,813,350</u>	<u>10,026,609</u>	<u>5,866,335</u>
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	15	724,758	2,861,426	582,541	494,783
Borrowings	16	174,943	898,321	-	-
		<u>899,701</u>	<u>3,759,747</u>	<u>582,541</u>	<u>494,783</u>
Non-current liabilities					
Borrowings	16	2,743,104	3,484,012	1,100,000	1,000,000
Other payables	15	918,717	-	-	-
Deferred tax	15	81,812	-	-	-
		<u>3,743,633</u>	<u>3,484,012</u>	<u>1,100,000</u>	<u>1,000,000</u>
Equity attributable to equity owners					
Share capital	17	4,205,619	2,717,267	4,205,619	2,717,267
Share premium		3,590,514	1,607,174	3,590,514	1,607,174
Treasury shares		-	(500,000)	-	-
Share option reserve		267,980	-	267,980	-
Investment revaluation reserve		-	-	160,071	(365,496)
Retained earnings		179,992	47,109	119,884	412,607
Total equity attributable to owners of the parent		<u>8,244,105</u>	<u>3,871,550</u>	<u>8,344,068</u>	<u>4,371,552</u>
Non-controlling interests		707,415	698,041	-	-
Total equity		<u>8,951,520</u>	<u>4,569,591</u>	<u>8,344,068</u>	<u>4,371,552</u>
TOTAL EQUITY AND LIABILITIES		<u>13,594,854</u>	<u>11,813,350</u>	<u>10,026,609</u>	<u>5,866,335</u>

The financial statements were approved and authorised for issue by the Board on 23 September 2014 and signed on its behalf by:

Ivan Minter
Director

Company Registration number: 06223892

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Consolidated and Company Statement of Changes in Equity

Consolidated	Share capital	Share premium	Treasury shares	Share option	Retained earnings	Controlling interest	Non-controlling	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 May 2012 (restated)	1,949,669	741,096	(500,000)	44,400	(152,734)	2,082,431	748,125	2,830,556
Total comprehensive income for the year								
Profit/(loss) for the year	-	-	-	-	190,963	190,963	(50,084)	140,879
Transactions with owners								
Shares issued during the year	767,598	830,558	-	-	-	1,598,156	-	1,598,156
Credit to equity for share-based payments	-	35,520	-	(44,400)	8,880	-	-	-
	<u>767,598</u>	<u>866,078</u>	<u>-</u>	<u>(44,400)</u>	<u>8,880</u>	<u>1,598,156</u>	<u>-</u>	<u>1,598,156</u>
Balance at 30 April 2013 (restated)	2,717,267	1,607,174	(500,000)	-	47,109	3,871,550	698,041	4,569,591
Total comprehensive income for the year								
Profit for the year	-	-	-	-	398,842	398,842	9,374	408,216
Transactions with owners								
Shares issued during the year	1,488,352	2,035,452	-	-	-	3,523,804	-	3,523,804
Disposal of own shares	-	-	335,250	-	-	335,250	-	335,250
Loss on disposal of own shares	-	-	164,750	-	(164,750)	-	-	-
Share issue costs	-	(52,112)	-	-	-	(52,112)	-	(52,112)
Credit to equity for share-based payments	-	-	-	267,980	-	267,980	-	267,980
Dividend on ordinary shares	-	-	-	-	(101,209)	(101,209)	-	(101,209)
	<u>1,488,352</u>	<u>1,983,340</u>	<u>500,000</u>	<u>267,980</u>	<u>(265,959)</u>	<u>3,973,713</u>	<u>-</u>	<u>3,973,713</u>
Balance at 30 April 2014	4,205,619	3,590,514	-	267,980	179,992	8,244,105	707,415	8,951,520
Company								
	Share capital	Share premium	Fair value reserve	Share option reserve	Retained earnings	Total equity		
	£	£	£	£	£	£		£
Balance at 1 May 2012	1,949,669	741,096	(179,026)	44,400	166,654	2,722,793		
Total comprehensive income for the year								
Profit for the year	-	-	-	-	237,073	237,073		
Transactions with owners								
Shares issued during the year	767,598	830,558	-	-	-	1,598,156		
Credit to equity for share-based payments	-	35,520	-	(44,400)	8,880	-		
Fair value adjustments to investments in associates and subsidiary undertakings	-	-	(186,470)	-	-	(186,470)		
	<u>767,598</u>	<u>866,078</u>	<u>(186,470)</u>	<u>(44,400)</u>	<u>8,880</u>	<u>1,411,686</u>		
Balance at 30 April 2013	2,717,267	1,607,174	(365,496)	-	412,607	4,371,552		
Total comprehensive income for the year								
Profit for the year	-	-	-	-	(191,514)	(191,514)		
Transactions with owners								
Shares issued during the year	1,488,352	2,035,452	-	-	-	3,523,804		
Fair value adjustments to investments in associates and subsidiary undertakings	-	-	525,567	-	-	525,567		
Share issue costs	-	(52,112)	-	-	-	(52,112)		
Credit to equity for share-based payments	-	-	-	267,980	-	267,980		
Dividend on ordinary shares	-	-	-	-	(101,209)	(101,209)		
	<u>1,488,352</u>	<u>1,983,340</u>	<u>525,567</u>	<u>267,980</u>	<u>(101,209)</u>	<u>4,164,030</u>		
Balance at 30 April 2014	4,205,619	3,590,514	160,071	267,980	119,884	8,344,068		

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Consolidated and Company Statement of Cash Flows

	Group		Company	
	2014	2013 Restated	2014	2013
	£	£	£	£
Profit/(loss) for the year	518,791	209,690	(154,487)	305,884
Cash flow from operating activities				
<i>Adjustments for:</i>				
Investment income	(29,218)	(153,751)	(148,970)	(158,178)
Gain on disposal of investment property	(72,793)	-	-	-
Credit to equity for share-based payments	267,980	-	267,980	-
Fair value adjustment	(807,133)	-	-	-
Increase in receivables	(291,600)	(521,217)	(2,375,284)	(857,018)
(Decrease)/increase in payables	(1,347,923)	965,031	18,961	193,270
Tax paid	-	-	(69,439)	-
Net cash (used)/generated by operating activities	(1,761,896)	499,753	(2,461,239)	(516,042)
Cash flows from investing activities				
Interest received	29,218	153,751	148,970	158,178
Purchase of investment properties	(3,961,267)	-	-	-
Part refund of investment property purchase	7,133	-	-	-
Sale of investment properties	4,072,793	-	-	-
Purchase of equity investments	-	-	(607,462)	-
Net cash generated by investing activities	147,877	153,751	(458,492)	158,178
Cash flows from financing activities				
Share issue, net of issue costs	3,471,692	1,598,156	3,471,692	1,598,156
Proceeds of sale of treasury shares	335,250	-	-	-
Net movement in short term loans	376,622	-	-	-
Net movement in long term loans	(1,840,908)	(1,096)	100,000	1,000,000
Net cash generated by financing activities	2,342,656	1,597,060	3,571,692	2,598,156
Net increase in cash and cash equivalents	728,637	2,250,564	651,961	2,240,292
Cash and cash equivalents at the beginning of the period	2,393,693	143,129	2,263,363	23,071
Cash and cash equivalents at the end of the period	3,122,330	2,393,693	2,915,324	2,263,363

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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 ISDX Stock Exchange. The Group's principal activity is that of property investment.

The Directors have taken advantage of the exemption available under Section 408 of the loss for the period before tax is £154,487 (2013: £305,884 profit).

2. Basis of presentation and significant accounting policies

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

2.1 Basis of presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union and issued by the International Accounting Standards Board. The consolidated financial statements are presented in Sterling, the group and parent company's functional currency.

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.

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

2.2 Standards, amendments and interpretations to published standards not yet effective

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

	Effective Dates
IFRS 9 Financial Instruments	1 January 2014
IFRS 10 Consolidated Financial Statements	1 January 2014
IFRS 11 Joint Arrangements	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	1 January 2014
IFRS 15 Revenue from contracts from customers	1 January 2014
IAS 27 Separate Financial Statements (Amendment)	1 January 2014
IAS 28 Investments in Associates and Joint Ventures (Amendment)	1 January 2014
IAS 32 Financial Instruments: Presentation (Amendment)	1 January 2014
IAS 36 Impairment of Assets – Amendment; Recoverable Amount Disclosures for Non-Financial Asset	1 January 2014

The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the group and parent company prepares its financial statements in accordance with IFRS as adopted by the European Union (EU), the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard of interpretation but the need for endorsement restricts the group and parent company's discretion to early adopt standards.

The Company has adopted IFRS10 in these financial statements ahead of the obligatory date above as permitted by the standard. As required by the standard, early adoption of IFRS 10 requires the adoption of IFRS 12 and IAS 27 and IAS 28, as amended, at the same time and these standards have been adopted in the financial statements.

2.3 Basis of consolidation

The financial statements incorporate the financial statements of the Company and its subsidiary entities made up to 30 April 2014.

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 2014.

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.

Ace Liberty & Stone Plc owns 47% of Radcliff Property Limited and is entitled to share 38% of that company's profits; day to day decisions are made by the Group directors. The directors consider that they control the company and have consolidated its results.

On acquisition, the assets and 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 and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

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Notes to the Consolidated Financial Statements (continued)

2.3 Basis of consolidation (continued)

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.

Non-controlling interests

Non-controlling interests are measured at the proportionate share of the non-controlling interest's identifiable net assets in the relevant subsidiary.

Profit or loss and each component of other comprehensive income are allocated between the owners of the parent and non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any differences between the adjustment to the non-controlling interest and the fair value of consideration paid or received are recognised in equity.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in the income statement for the period. For available-for-sale investments, gains and losses arising from changes in fair values are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the income statement.

2.4 Financial assets

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment

Available for sale financial assets (AFS Financial Assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loan and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit and loss.

Loans and receivables

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

2.5 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 pound sterling which is the presentation currency for the consolidated and company financial statements. The functional currency of the Company is pounds sterling.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date monetary items in foreign currencies are translated at the rate prevailing at the balance sheet date.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in the income statement for the period.

The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Balance Sheet presented are translated at the closing rate.
- Income and expense for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity

2.6 Cash and Cash Equivalents

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

2.7 Trade and other receivables

Trade and other receivables are recognised by the group and carried at the original invoice amount less an allowance for any uncollectable or impaired amounts. Other receivables are initially recognised at fair value. Provision is made for impairment when the collection of the full amount is no longer probable. Bad debts are written off to the consolidated statement of comprehensive income when they are irrecoverable.

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Notes to the Consolidated Financial Statements (continued)

2.8 Trade and other payables

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

2.9 Key accounting estimates and judgements

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

The most significant judgements made in preparing these accounts relate to the valuation of the Group's investment properties, the valuation of the Company's investments in subsidiaries, which in turn depend on the valuation of the underlying investment properties, and the assumption that the group will be able to obtain the approval of the majority shareholder in Radcliff Property Limited to sell the property owned by that company.

2.10 Provision

A provision is recognised in the consolidated statement of financial position when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

2.11 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.

2.12 Deferred tax

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

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

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

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

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

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

2.13 Revenue recognition

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

Revenue represents rental income from investment properties and, for the Company only, management fees charged to subsidiary and associated companies.

Rental income

Rental income from investment property leased out under operating leases is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of rental income.

Finance income

Finance income includes interest income from bank and interest charged to subsidiaries and associated companies' outstanding balance.

Finance cost

Finance cost is recognised as interest accrues, using the effective interest method, on the net carrying amount of the financial liability.

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Notes to the Consolidated Financial Statements (continued)

2.14 Investment property

Investment properties are properties held for long-term rental yields. Investment properties are carried in the balance sheet at fair value, representing open market value determined annually by directors or independent valuation. 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.

2.15 Borrowings

Borrowings other than bank overdrafts are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of comprehensive income over the period of the borrowings, using the effective interest method.

2.16 Share based payments

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

3. Going concern

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

		Group	
		2014	2013
			Restated
4	Revenue	£	£
	Revenue comprises the following:		
	Rental income	1,097,052	959,574
	All revenue arises from the Group's UK operations, net of VAT		
5	Administrative expenses		
	Directors' fees	120,600	74,000
	Operating expenses of investment properties	228,277	133,671
	Legal and professional fees	502,070	302,041
	Other costs	168,413	124,733
		<u>1,019,360</u>	<u>634,445</u>
5 (a)	Finance cost		
	Loan interest	200,065	172,310
		<u>200,065</u>	<u>172,310</u>
5 (b)	Finance income		
	Bank and other interest	29,218	7,500
		<u>29,218</u>	<u>7,500</u>
6	Profit before tax		
	Profit before tax is stated after charging / (crediting) the following:		
	Operating lease rentals – land and buildings	43,354	-
	Foreign exchange gains and losses	71,773	-
	Audit services - parent	20,400	20,000
	Audit services - subsidiaries	6,600	3,000
		<u>6,600</u>	<u>3,000</u>
7	Staff costs		
	There were no employees other than the directors.		
8	Directors' remuneration		
	Director's fee – Keith Pankhurst	5,000	-
	Director's fee – Ismail Ghandour	32,000	72,000
	Director's fee – Mark Thomas	21,600	-
	Director's fee – Ivan Minter	62,000	-
	Director's fee – Mark Eichhorn	-	2,000
	There were no pension payments in respect of either year	<u>120,600</u>	<u>74,000</u>

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Notes to the Consolidated Financial Statements (continued)

9	Taxation	Group		Company	
		2014	2013	2014	2013
		£	£	£	£
	Current Tax				
	UK corporation tax	28,763	68,811	37,027	68,811
	Total current tax charge	28,763	68,811	37,027	68,811
	Deferred tax				
	Origination and reversal of timing differences	81,812	-	-	-
	Total deferred tax charge	81,812	-	-	-
	Total tax charge for period	110,575	68,811	37,027	68,811
	Reconciliation of current tax charge				
	Profit/(loss) on ordinary activities before tax	518,791	198,237	(154,487)	305,884
	Tax on profit on ordinary activities	109,673	47,577	(32,278)	73,161
	Effects of:				
	(Income)/expenditure not taxable/deductible for tax purposes	(56,593)	22,136	12,428	-
	Fixed asset differences	15,154	-	-	-
	Marginal relief	(948)	(902)	(948)	(4,350)
	Group relief	3	-	(370)	-
	Deferred tax on losses not recognised	(13,195)	-	-	-
	Deferred tax on share options not recognised	61,196	-	61,196	-
	Deferred tax on fixed assets not previously recognised	47,800	-	-	-
	Deferred tax on property revaluations	(25,281)	-	-	-
	Differences arising from tax rate differentials	(27,233)	-	-	-
		110,575	68,811	37,027	68,811
	Movement on deferred tax				£
	Charge for the period				81,212
	Balance at 30 April 2014				<u>81,212</u>

10 Earnings per share

The calculations of earnings per share are based on the following earnings / (deficits) and numbers of shares.

	2014	2013
	£	Restated £
Profit for the period attributable to equity owners	398,842	190,963
	No. of shares	No. of shares
Weighted average number of shares		
For basic earnings per share	329,225,157	231,811,361
Dilutive effect of share options	9,666,667	-
For diluted earnings per share	<u>338,891,824</u>	<u>231,811,361</u>
Earnings per share	pence	pence
Basic	0.12	0.08
Diluted	0.12	0.08

11 Investment property

	Group
	£
Valuation at 1 May 2013	9,271,000
Purchases during the year at cost	3,961,267
Part refund of purchase costs	(7,133)
Sales during the year	(4,000,000)
Fair value adjustments	807,133
Valuation at 30 April 2014	<u>10,032,267</u>

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.

The directors believe that the open market value of the investment properties as at 30 April 2014 remains at £10,032,267.

The historical cost of investment properties held by the Group is £8,936,430 (2013: £8,011,195).

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Notes to the Consolidated Financial Statements (continued)

12 Investments

Balance at 1 May 2013	2,434,504
Long term loan to Radcliff Property Limited now shown as receivable	(1,499,953)
Fair value adjustments	525,567
Company acquired during the year	607,460
Balance at 30 April 2014	<u>2,067,578</u>

Holdings of more than 20%

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

Subsidiary Undertaking	Nature of business	Country of registration or incorporation	Shares Held	
			Class	%
Silverdale Limited	Investment	BVI	Ordinary	100
Hilcott Overseas Limited	Investment	England and Wales	Ordinary	100
Radcliff Property Limited	Investment	Anguilla	Ordinary	47
Ace (Leeds) Limited	Investment	England and Wales	Ordinary	100
Ace (Doncaster) Limited	Investment	England and Wales	Ordinary	100
Ace (Hulme) Limited	Investment	England and Wales	Ordinary	100

13 Acquisition of Subsidiary

On 30 October 2013, the Company acquired the entire issued share capital of Bolsterstone (Number Seven) Limited for the sum of £606,833 including costs of acquisition; the company was subsequently renamed Ace (Leeds) Limited. Ace Liberty & Stone Plc made a short term loan to the company to enable it to repay the existing mortgage on its freehold property; subsequently Ace (Leeds) Limited drew down a new mortgage and repaid the loan from its parent.

The acquisition was made at fair value and no goodwill arises from the transaction as book value is the same as fair value. No intangible assets were acquired.

Results for the period from 1 January 2013 to 30 April 2014 were as follows. It is not practical to present these results from the start of the accounting period of the group.

	Total	Pre-acquisition	Post-acquisition
	£	£	£
Revenue	256,001	161,665	94,336
Administrative expenses	(219,724)	(38,335)	(181,389)
Parent company balance written off	(109,474)	(109,474)	0
Fair value adjustments	(720,000)	(970,000)	250,000
Finance cost	(24,363)	(15,882)	(8,481)
(Loss) / Profit before tax	(817,560)	(972,026)	154,466

Fair Value Statement

Assets acquired at book value and fair value

	£
Freehold property	1,450,000
Mortgage	(852,000)
Cash	500
Trade and other receivables	23,558
Trade and other payables	(14,596)
	<u>607,462</u>

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Notes to the Consolidated Financial Statements (continued)

	Group 2014	2013 Restated	Company 2014	2013
	£	£	£	£
14 Trade and other receivables				
Trade receivables	67,513	-	-	-
Other receivables	337,475	1,257	5,037,797	1,021,968
Prepayments and accrued income	35,269	147,400	5,910	146,500
	<u>440,257</u>	<u>148,657</u>	<u>5,043,705</u>	<u>1,168,468</u>
Current	440,257	148,657	2,318,857	1,168,468
More than one year	-	-	2,724,850	-
	<u>440,257</u>	<u>148,657</u>	<u>5,043,707</u>	<u>1,168,468</u>
15 Trade and other payables				
Trade payables	9,426	597,718	-	-
Taxation and social security	168,349	113,521	36,867	69,279
Other payables	918,717	1,718,093	335,250	425,504
Accruals and deferred income	628,793	432,094	210,424	-
	<u>1,725,287</u>	<u>2,861,426</u>	<u>582,541</u>	<u>494,783</u>
Current	724,758	2,861,426	582,541	494,783
Non-current	1,000,529	-	-	-
	<u>1,725,287</u>	<u>2,861,426</u>	<u>582,541</u>	<u>494,783</u>
16 Borrowings				
Loans	-	1,000,000	-	1,000,000
Bank loans	2,918,047	3,382,333	1,100,000	-
	<u>2,918,047</u>	<u>4,382,333</u>	<u>1,100,000</u>	<u>1,000,000</u>
Current	174,943	898,321	-	-
Non-current	2,743,104	3,484,012	1,100,000	1,000,000
	<u>2,918,047</u>	<u>4,382,333</u>	<u>1,100,000</u>	<u>1,000,000</u>

Details of security and interest rates

The Company has borrowed £1,100,000 from LIBANK (Levant Investment Bank) s.a.l. to finance property acquisitions. £300,000 was drawn down on 13 December 2013 and £800,000 on 19 March 2014. The loan is secured on the Company's deposits. Repayment must be effected by 19 March 2016.

Loan interest is payable at 1.5% above the bank's fiduciary deposit rate.

The Company's subsidiary, Silverdale Worldwide Limited has a loan of £943,047 (2013: £983,969) with the Co-Operative Bank (formerly the Britannia Building Society). The loan is due to be repaid on 28 March 2032. The loan is secured via a fixed and floating charge over the assets of the company, including all present and future freehold and leasehold properties, book and other debts, goodwill and any uncalled share capital.

Loan interest is accrued at a rate of 1.35% over the Society's base rate.

The Company's subsidiary, Ace (Leeds) Limited has a loan of £875,000 with Market Harborough Building Society. The loan is due to be repaid on 11 April 2021. The Loan is secured via a fixed and floating charge over the assets of the company, including all present and future freehold and leasehold properties, book and other debts, goodwill and any uncalled share capital, and supported by the guarantee of the Company.

Loan interest is accrued at a rate of 1.00% below the society's commercial variable base rate.

The Company's subsidiary, Radcliff Property Limited drew down a loan of £3,725,000 from HSBC Private Bank (UK) Limited on 14 September 2011. The loan was repayable by instalments with the final repayment due on 16 September 2014; it was repaid in full on 6 March 2014. The Loan was secured via a fixed and floating charge over the assets of the Company and the personal guarantee of Ismail Ghandour.

Loan interest was accrued at a rate of 2.5% over Libor.

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Notes to the Consolidated Financial Statements (continued)

17	Share capital	Group and Company	
		2014	2013
		£	£
	Allotted, issued and fully paid up capital		
	420,561,989 (2013: 271,726,740) ordinary shares of £0.01 each	<u>4,205,619</u>	<u>2,717,267</u>

Share Options

Share options are granted to directors and officers of the group. Options are not conditional on the employee, and there is no service condition attached to the awards. They are exercisable based on the exercise price which is factored into the fair value at grant. The options are exercisable starting 31 October 2017 (assuming a 4 year vesting term). The group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price in £ per share option	Options	Average exercise price in £ per share option	Options
At 1 January	-	-	-	-
Granted	£0.0234	58,333,333	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
At 31 December	£0.0234	58,333,333	-	-

Out of the 58,333,333 outstanding options (2012: nil options), 58,333,333 options (2012: nil) were exercisable.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date	Exercise price in £ per share options	Share options	
			2013	2012
2013-2017	31-Oct-2020	£0.0234	58,333,333	-

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was £0.0046 per option (2012: nil). The significant inputs into the model were weighted average share price of 2.34p (2012: nil) at the grant date, exercise price shown above, volatility of 30% (2012: nil), dividend yield of 2.4% (2012: nil), an expected option life of 4 years (2012: nil) and an annual risk-free interest rate of 1.09% (2012: nil%). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.

18. Financial instruments

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

18.1 Principal financial instruments

The principal financial instruments of the Group, from which financial instrument risk arises, are as follows:

	2014	2013
	£	restated £
Cash and cash equivalents	3,122,330	2,393,693
Trade and other payables	(1,725,287)	(2,861,426)
Borrowings	(2,918,047)	(3,484,012)
Trade and other receivables	<u>440,257</u>	<u>148,657</u>

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 costs.

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Notes to the Consolidated Financial Statements (continued)

18.2 Financial risk management objectives and policies

Credit risk

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

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

Liquidity risk

Responsibility for liquidity risk management rests with the board which has formulated liquidity management tools to service this requirement. Management of liquidity risk is achieved by monitoring budgets, forecasts and actual cash flows.

The Group's policy is to minimise refinancing risk and match loan maturities with the expected period of ownership of each property.

The table below analyses the Group's financial liabilities into maturity groupings. All borrowings are at floating interest rates.

	Under 1 year	2 - 5 years	Over 5 years	2014 Total
	£	£	£	£
Mortgages secured on investment properties	174,493	697,972	945,582	1,818,047
Short term loans	-	1,100,000	-	1,100,000
	<u>174,493</u>	<u>1,797,972</u>	<u>945,582</u>	<u>2,918,047</u>

Market risk

The Group's main exposure to risk is through interest rates. The Group enters into no derivative transactions.

Interest rate risk

The Group is subject to interest rate risk as its bank balances and borrowings are subject to interest at a floating rate. The interest rate on bank balances at 30 April 2014 was in the range 0% to 3.35%. At 30 April 2014, cash and cash equivalents exceeded total borrowings and it is not considered practical to calculate sensitivity to interest fluctuations.

Foreign currency risk

Some bank balances are denominated in foreign currencies. These holdings are short term and management monitors the exposure to interest rate fluctuations.

Fair value risk

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

18.3 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. The Group monitors its debt to equity ratio which was calculated as follows.

At 30 April 2014 the Group was seeking to expand its portfolio of property investments.

	2014	2013
	£	£
Total debt	2,918,047	4,382,333
Less cash and cash equivalents	<u>(3,122,330)</u>	<u>(2,393,693)</u>
Net debt	<u>(204,283)</u>	<u>1,988,640</u>
Total equity	<u>8,951,520</u>	<u>4,569,591</u>
	n/a	43.52%

19. Related party transactions

	2014	2013
	£	restated £
Included within trade and other receivables in the Company's balance sheet are the following amounts due from wholly or partly owned subsidiary companies at 30 April:		
Silverdale Worldwide Limited	413,556	263,326
Radcliff Property Limited	1,929,777	2,216,227
Ace (Doncaster) Limited	685,308	-
Ace (Hulme) Limited	1,935,189	-
Ace (Leeds) Limited	<u>73,967</u>	<u>-</u>
	<u>5,037,797</u>	<u>2,479,553</u>

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Notes to the Consolidated Financial Statements (continued)

19. Related party transactions (continued)

Included within Company's income statement are the following amounts charged to wholly and partly owned subsidiaries:

Charge for interest

Silverdale Worldwide Limited	5,990	4,426
Radcliff Property Limited	106,387	153,752
Ace (Doncaster) Limited	3,521	-
Ace (Hulme) Limited	3,154	-
Ace (Leeds) Limited	8,481	-
	<u>127,533</u>	<u>158,178</u>

Charge for management

Silverdale Worldwide Limited	63,000	23,336
Radcliff Property Limited	380,000	604,890
Ace (Doncaster) Limited	53,000	-
Ace (Hulme) Limited	13,000	-
Ace (Leeds) Limited	178,000	-
	<u>687,000</u>	<u>628,226</u>

Hind Property Company Limited is a related party by reason of common directors. The following amounts are included in the Group balance sheet at 30 April:

Trade and other receivables	<u>33,771</u>	<u>5,518</u>
Trade and other payables	<u>38,131</u>	<u>32,785</u>

20. Other financial commitments

As at 31 December 2014 the Group was not committed to make any payments during the next year in respect of non-cancellable operating leases.

21. Prior year adjustments

The Group has adopted IFRS10 in these financial statements as disclosed in note 2.2 above. This requires the consolidation of Radcliff Properties Limited as management control is exercised over that company by the Company's directors. In previous years' statements, the correct treatment was to account for the fair value of the Company's investment. Accordingly the previous year's results have been restated.

The following are the changes to the financial statements and earnings per share.

	Group accounts 30 April 2013	2013 Change	2013 Restated
Consolidated Statement of Comprehensive Income	£	£	£
Revenue	697,270	262,304	959,574
Share of loss from associates	(92,234)	92,234	
Administrative expenses	(534,260)	(100,185)	(634,445)
Fair value adjustments	-	49,370	49,370
Finance cost	(26,290)	(146,020)	(172,310)
Finance income	153,751	(146,251)	7,500
Profit before tax	198,237	11,453	209,689
Profit for the year	129,426	11,453	140,879
Attributable to:			
Owners of the parent	129,426	61,537	190,963
Non-controlling interest	-	(50,084)	(50,084)
Earnings per share	Pence	Pence	Pence
Basic earnings per share attributable to equity owners of the parent	0.058	0.022	0.080
Diluted earnings per share attributable to equity owners of the parent	0.058	0.022	0.080

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Notes to the Consolidated Financial Statements (continued)

21. Prior year adjustments (continued)

	Group accounts 30 April 2013	2013 Change	2013 Restated
	£	£	£
Consolidated Statement of Financial Position			
Investment property	1,271,000	8,000,000	9,271,000
Investments	1,927,833	(1,927,833)	-
Trade and other receivables	906,042	(757,385)	148,657
Cash and cash equivalents	2,263,363	130,330	2,393,693
Current liabilities			
Trade and other payables	512,718	2,348,708	2,861,426
Borrowings	40,921	857,400	898,321
Non-current liabilities			
Borrowings	1,943,048	1,540,964	3,484,012
Retained earnings	47,110	(1)	47,109
Total equity attributable to owners of the parent	3,871,551	(1)	3,871,550
Non-controlling interests		698,041	698,041
Total equity	3,871,551	698,040	4,569,591