

Press Release

5 October 2016

Ace Liberty and Stone plc

(" Ace " or the "Company")

Final Results for the 12 months to 30th April 2016

Ace Liberty and Stone Plc (ISDX: ALSP), the active property investment company, capitalising on commercial property investment opportunities across the UK, today announces its Final Results for the year ended 30 April 2016.

Highlights

- The Group's property holdings have grown 23% during the year from £23,964,428 to £29,488,428
- Total equity attributable to owners has increased by 45% in the year to £17,946,575 (2015: £12,410,366)
- Consolidated Revenue for the year increased 70% to £2,037,308 (2015: £1,201,185)
- Profit before tax decreased to £612,334 (2015: £1,055,581) as a result of a reduced portfolio valuation as at 30th April 2016
- Profit-yielding sales of properties including the final holding in Telephone House, Sheffield for £4,000,000 and Princegate House, Doncaster (excluding car park) for £850,000
- The sale of Hume House has been agreed at £3,550,000 for completion in December 2016
- Fundraising from existing shareholders of £3,500,000
- Post year end, 1–5 Upper Market Square, Hanley purchased for £9,000,000.

Commenting on the final results, Tony Ghorayeb, Chairman of Ace Liberty and Stone Plc, said: "The year to 30th April 2016 has seen several notable achievements with the Group's property holdings growing during the year from £23,964,428 to £29,488,428. Furthermore, the sale of Hume House has been agreed at £3,550,000 for completion in December 2016, having been purchased for £1,670,000 in March 2014.

"It has been more difficult to complete transactions since the year end with the consequence that several properties which the Directors were negotiating to sell have remained in the Group's ownership. The timing of deals has certainly hit profitability, but there are now signs that this

hesitancy on the part of purchasers is weakening. The Directors expect that, as confidence returns and the backlog of transactions is cleared, future profits will be increased by the amount the valuations were written down by in 2016.”

- Ends -

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Notes to Editors

Ace Liberty & Stone Plc is a London-based property investment company with a diverse portfolio of properties located across the UK, currently including Leeds, Doncaster, Sunderland and Dudley. The Company locates commercial properties which have the potential for an increase in value through creative asset management activity, such as change of tenancy, change of use or new lease negotiation. Ace has maintained a track record of generating strong profits at disposal of properties and achieving better-than average returns on capital. With strong support from shareholders and mortgage lenders, the Company is currently seeking further investment opportunities in the UK to create value for existing and new investors.

Ace is run by a board with extensive property experience, an excellent network of contacts and relevant professional qualifications. This sector expertise has allowed the Board to identify opportunities and act promptly to secure investments.

For more information on the Company please visit: <http://acelibertyandstone.com/>

Chairman's Statement

The year has seen several notable achievements. The sale of Hume House has been agreed at £3,550,000 for completion in December 2016, having been purchased for £1,670,000 in March 2014. The Group's property holdings have grown during the year from £23,964,428 to £29,488,428 and the Group also managed a very successful fundraising from existing shareholders (which was handsomely over-subscribed) of £3,500,000 in February, providing funds for the - post year-end - purchase of 1-5 Upper Market Square, Hanley valued at £9,000,000. This will take our portfolio to almost £40,000,000 by the date of the AGM. To put this in context, the consolidated balance sheet at 30 April 2013 published just three years ago showed investment properties valued at £1,271,000. The year also saw the sale of our final holding in Telephone House, Sheffield for £4,000,000 and the sale of Princegate House, Doncaster (excluding the car park, which we retain) for £850,000. Both these transactions yielded a profit for the Group.

It has been more difficult to complete transactions since the year end with the consequence that several properties which the directors were negotiating to sell have remained in the Group's ownership. In one specific instance a deal under negotiation with an overseas buyer was aborted as a direct consequence of the economic uncertainty stemming from the UK's referendum on membership of the European Union. The timing of deals has certainly hit profitability. As a result of the hiatus in transactions and the consequent uncertainty of date of sale, such properties have been included in the balance sheet at a lower value than would otherwise have been the case if we had been able to complete the planned sale after the year end. Assets held at 30 April 2016 have been valued at some £600,000 less than anticipated and this has resulted in a reduction of the year's profit before tax of the same amount. Fortunately, there are now signs that this hesitancy is weakening. The directors expect that as confidence returns and the backlog of transactions is cleared future profits will be increased by the amount by which the valuations were written down in 2016.

The results for the year show an increase in revenue from £1,201,185 for the year ended 30 April 2015 to £2,037,308 in the year under review. Because of the decision made by the directors to reduce the valuation of the Company's property portfolio at 30 April 2016, the profit before tax has dropped from £1,055,581 in the previous year to £612,334 in the year under review. Further details of the Group's performance are contained within the detailed reports.

The directors value the support of our shareholders and have continued our policy of increasing the dividend each year with a payment of 3.3% in June 2016. It is the Board's policy to continue to pay an increasing dividend unless constrained by economic conditions.

The current external circumstances do not diminish the Group's future prospects. We have

actions in hand to enlarge the portfolio to our target of £50,000,000 within the next year without further shareholder investment.

Finally, on a personal note, I thank the Board for the confidence shown in my abilities by appointing me Chairman. On behalf of my colleagues I thank Keith Pankhurst for his hard work in this capacity over the past two years and I look forward to leading the Group during a period when we expect to reap further benefits from our past endeavours.

Dr Tony Ghorayeb

Chairman

Date: 4 October 2016

Group Statement of Comprehensive Income for the year ended 30 April 2016

	2016	2015
	£	£
Revenue	2,037,308	1,201,185
Administrative expenses	(1,201,655)	(887,425)
Fair value (losses)/gains on investment property	(422,823)	1,186,983
Fair value gains on assets held for sale	705,681	-
Finance cost	(539,095)	(277,705)
Finance income	32,918	43,743
Share-based payment charge	-	(211,200)
Profit before taxation	<u>612,334</u>	<u>1,055,581</u>
Taxation	(352,341)	(296,559)
Profit after taxation	<u>259,993</u>	<u>759,022</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>259,993</u></u>	<u><u>759,022</u></u>
<i>Attributable to:</i>		
Owners of the parent	324,447	805,786
Non-controlling interest	(64,454)	(46,764)
	<u><u>259,993</u></u>	<u><u>759,022</u></u>
Earnings per share	Pence	Pence
<i>Basic earnings per share attributable to equity owners of the parent</i>	0.04	0.13
<i>Diluted earnings per share attributable to equity owners of the parent</i>	0.03	0.12

Group Statement of Financial position at 30 April 2016

	2016 £	2015 £
ASSETS		
Non-current assets		
Investment property	21,788,428	23,964,428
Current assets		
Assets held for sale	7,700,000	-
Trade and other receivables	134,253	128,301
Cash and cash equivalents	517,632	1,947,384
	<u>8,351,885</u>	<u>2,075,685</u>
TOTAL ASSETS	<u><u>30,140,313</u></u>	<u><u>26,040,113</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Liabilities held for sale	2,400,055	-
Trade and other payables	1,394,996	1,100,447
Borrowings	1,333,377	2,533,421
	<u>5,128,428</u>	<u>3,633,868</u>
Non-current liabilities		
Borrowings	6,853,676	8,052,269
Other payables	-	918,524
Deferred tax	211,634	364,435
	<u>7,065,310</u>	<u>9,335,228</u>
Equity attributable to equity owners		
Share capital	9,821,517	5,238,340
Share premium	7,132,802	5,402,263
Share option reserve	479,180	479,180
Other reserve	-	462,500
Retained earnings	513,076	828,083
Total equity attributable to owners of the parent	<u>17,946,575</u>	<u>12,410,366</u>
Non-controlling interests	-	660,651
Total equity	<u>17,946,575</u>	<u>13,071,017</u>
TOTAL EQUITY AND LIABILITIES	<u><u>30,140,313</u></u>	<u><u>26,040,113</u></u>

Group Cash Flow Statement for the year ended 30 April 2016

	2016	2015
	£	£
Profit before tax	612,334	1,055,581
Cash flow from operating activities		
<i>Adjustments for:</i>		
Finance income	(32,918)	(43,743)
Finance costs	539,095	277,205
Share-based payment charge – Included in administrative expenses	68,750	-
Share-based payment charge – Share options	-	211,200
Fair value adjustment	(282,858)	(1,186,983)
(Increase) / decrease in receivables	(5,952)	311,956
(Decrease) / increase in payables	(31,342)	349,847
Tax paid	(27,150)	(44,773)
Interest paid	(419,095)	(277,205)
Net cash generated by operating activities	<u>420,864</u>	<u>653,085</u>
Cash flows from investing activities		
Interest received	32,918	43,743
Purchase of investment properties	(8,756,874)	(12,745,178)
Sale of investment properties	4,850,000	-
Purchase of non-controlling interest in subsidiary	(1,235,650)	-
Net cash used by investing activities	<u>(5,109,606)</u>	<u>(12,701,435)</u>
Cash flows from financing activities		
Share issue, net of issue costs	4,328,716	2,844,470
Payment for shares to be issued	-	462,500
Short term loans advanced	-	435,938
Long term loans advanced	1,969,539	7,702,500
Long term loans repaid	(2,886,645)	(470,795)
Equity dividend paid	(152,620)	(101,209)
Net cash generated by financing activities	<u>3,258,990</u>	<u>10,873,404</u>
Net decrease in cash and cash equivalents	<u>(1,429,752)</u>	<u>(1,174,946)</u>
Cash and cash equivalents at the beginning of the period	1,947,384	3,122,330
Cash and cash equivalents at the end of the period	<u>517,632</u>	<u>1,947,384</u>

NOTES TO PRELIMINARY RESULTS FOR THE PERIOD ENDED 30 APRIL 2016

1.The financial information set out above does not constitute statutory accounts for the purpose of Section 434 of the Companies Act 2006. The financial information has been extracted from the statutory accounts of Ace Liberty & Stone Plc and is presented using the same accounting policies, which have not yet been filed with the Registrar of companies, but on which the auditors gave an unqualified report on 4th October 2016.

The preliminary announcement of the results for the year ended 30 April 2016 was approved by the board of directors on 4th October 2016.

2.Earnings per Share

The basic earnings / (deficit) per share is calculated by dividing net profit or loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares during the year.

The diluted earnings / (deficit) per share is calculated by dividing the net profit or loss attributable to ordinary shareholders after adjustments for instruments that dilute basic earnings per share by the weighted average of ordinary shares outstanding during the year (adjusted for the effects of dilutive instruments).

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

	2016	2015
	£	£
Profit for the period attributable to equity owners	<u>324,447</u>	<u>805,786</u>
	No. of shares	No. of shares

Weighted average number of shares		
For basic earnings per share	852,987,944	637,840,374
Dilutive effect of share options	<u>102,333,333</u>	<u>58,333,333</u>
For diluted earnings per share	<u>955,321,277</u>	<u>696,173,707</u>
Earnings per share	pence	pence
Basic	0.04	0.13
Diluted	0.03	0.12
Dividends declared during the year – per share	-	0.030
	£	£
Dividends declared during the year – total	-	157,695