

RNS Number : 2583C
Dukemount Capital PLC
09 June 2023

Dukemount Capital Plc
("Dukemount" or the "Company")
Publication of Annual Report

The Board of Dukemount is pleased to announce the Company's audited financial statements for the year ended 30 April 2022.

The Annual Report will be available on the Company's corporate website at www.dukemountcapitalplc.com

Following the publication of the Annual Report, the Company is in dialogue with the FCA regarding lifting the suspension of trading in its shares.

The Board would like to re-iterate that it is very grateful to all its stakeholders for their continuing patience and understanding in this matter.

For further information, please visit www.dukemountcapitalplc.com or contact:

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Geoffrey Dart / Paul Gazzard

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Lucy Williams/Duncan Vasey

Chairman's Statement

I hereby present the annual financial statements for the year ended 30 April 2022. During the year the Group reported a loss of £1,127,395 (2021 - loss of £913,827). These losses arose in the course of the Group: pursuing transactions in its normal course of business as per its original stated mandate of long dated income generation; impairment costs associated with two development projects; maintaining the Company's listing on the Official List of the UK Listing Authority by way of a standard listing including consultancy fees, professional fees and directors' fees. As at the Statement of Financial Position date the Group had £19,214 (2021: £24,657) of cash balances.

During the year the Company entered into a 12-month convertible unsecured loan facility for £1,000,000 of which £500,000 was available immediately and an additional £500,000 available conditional on certain milestones.

In May 2021, the Company entered into a Joint Venture Agreement in relation to flexibility power expert HSKB Ltd ("HSKB"). Pursuant to the Joint Venture Agreement, Dukemount acquired 50% of the issued share capital of HSKB for nominal value. The Company is deemed to exercise control through its direct and indirect shareholding of DKE Flexible Energy and is therefore treated as a subsidiary with full consolidation into the Group financial statements.

In September 2021, the Company signed off a subordinated funding package to enable completion of the senior debt funding for gas peaking projects in September 2021 and announced in October 2021 that HSKB had successfully completed the purchase of two special purpose companies, each company containing an 11kV gas peaking facility, ready to build, with full planning permission and grid access. HSKB has also changed its name to DKE Flexible Energy Limited ("DKE Energy"). Following the year end, the Company announced that HSKB had completed the sale of the previously purchased two special purpose companies containing the 11kV gas peaking facility for an aggregate sale price of £350,000. Unfortunately the Company had little choice but to pursue the sale despite having the funding in place to construct these assets. The listing rules for standard list companies changed in December 2022 to require a minimum market capitalization of £30m for any reverse, transaction or listed value of the company, far below the combined value of these two assets in the state they were being purchased or post construction. Thus, the regulatory environment that evolved for Dukemount, as a standard listed company, during the transaction to buy and then fund the construction of the two assets meant the Company had no option but to dispose of these assets. The proceeds of the sale, £350,000 in aggregate, have been used to repay a portion of the sums owing to the lenders of the subordinated funding package.

Further to the disposal the lenders agreed to advance net proceeds of £50,000 in aggregate in addition to restructuring their existing funding arrangement. The maturity date for the existing debt plus the further advance is to be 24 months from the date of the Advance (being 10 October 2024). The proceeds of the further advance have been used to settle accrued liabilities of the Company.

The board has taken steps through restructuring the Company's funding routes, as described in detail in the RNS announcement of 11 October 2022, to ensure that the financial position and prospects of the Company are maintained to facilitate a future reverse transaction.

I would like to thank all those who have assisted and supported the Group during the year.

Geoffrey Dart
Director

7 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUKEMOUNT CAPITAL PLC

Opinion

We have audited the financial statements of Dukemount Capital plc (the 'group') for the year ended 30 April 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group is dependent on successful fundraising or a future reverse takeover transaction to continue as a going concern. The group has no contracts in place at year-end or after year-end, with no trading plans. Additionally, the group has a cash balance at the date of approval of the financial statements that would not be able to support its operations and overheads for the following twelve months. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

It is a requirement of IFRS that, in determining that the going concern basis is appropriate, the directors must consider a period of at least twelve months from the date of approval of the accounts.

Our work in relation to going concern included:

- Discussing future plans with management and review of budgets/forecast;
- Considering the appropriateness and sensitivity of the assumptions used in the preparation of the forecasts;
- Reviewing the results of the subsequent events and assessing the impact on the financial statements ;
- Reading board minutes for references to financing difficulties;
- Considering whether management have used all relevant information in their assessment and enquiring whether any known events or conditions beyond the period of assessment may affect going concern; and
- Reviewing and considering the impact of the new and amended borrowing arrangements entered into after the year-end to assist the group to continue its operations.

In view of the requirement to raise additional funds there is a material uncertainty with regard to going concern because although the directors are confident they can raise adequate funding that funding has not been agreed.

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue to adopt the going concern basis of accounting included reviewing management's assessment and going concern forecasts for the next twelve months and forming an opinion on whether the current financial position has the ability to fund the group's costs for that period.

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

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We determined the group materiality for the financial statements as a whole to be £27,000 (2021: £33,000), with the parent company materiality set at £25,000 (2021: £31,000). Performance materiality was set at £16,000 (2021: £23,100) and £15,000 (2021: £21,700) respectively. The overall materiality was based on 3% of net assets (2021: 5% of loss for the year). This benchmark is considered appropriate because the principal driving force of the business is the potential for a reverse takeover or further fundraising on its asset position. Several adjustments were identified during the course of the audit, however the materiality level of £27,000 was still considered appropriate with no revisions necessary.

We agreed with the board that we would report all audit differences identified during the course of our audit in excess of our triviality level of £1,350 (2021: £1,650) and £1,250 (2021: £1,550) for the group and parent company respectively. There were certain misstatements identified during the course of our audit that were individually considered to be material and adjusted for by management.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we assessed the areas involving significant accounting estimates and judgements by the directors in respect of the recoverability of the debtors and management's assessment in going concern and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

All subsidiaries were fully audited by the same audit team, with a full scope audit being performed on the complete financial information of the subsidiaries.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those

which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Management override of controls	
<p>Under ISA (UK) 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>, there is a presumed significant risk of management override of the system of internal controls.</p> <p>The primary responsibility for the prevention and detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity.</p> <p>They are responsible for establishing a sound system of internal control designed to support the achievement of policies, aims and objectives and to manage the risks facing the entity; this includes the risk of fraud.</p> <p>Our audit is designed to provide reasonable assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.</p> <p>ISAs (UK) require the auditor to:</p> <p>Identify fraud risks during the planning stages.</p> <p>Inquire of management about risks of fraud and the controls put in place to address those risks.</p> <p>Understand the oversight given by those charged with governance of management's processes over fraud.</p> <p>Consider of the effectiveness of management's controls designed to address the risk of fraud.</p> <p>The audit team identified the risk as a Key Audit Matter, given the possible investment from third parties into the business, in which case these parties will be interested in confirming that no issues have arisen through the way management has operated the group.</p>	<p>We considered the potential for the manipulation of financial results to be a significant fraud risk.</p> <p>Our work in this area included:</p> <p>A review of journals processed during the period under review and in the preparation of the financial statements to determine whether these were appropriate.</p> <p>A review of key estimates, judgements and assumptions within the financial statements for evidence of management bias, and agreeing to appropriate supporting documentation.</p> <p>An assessment of whether the financial results and accounting records included any significant or unusual transactions where the economic substance was not clear.</p>

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report¹⁰. Our opinion on the group and parent company 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, and the application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, LSE listing rules, and Disclosure and Transparency Rules.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:

- o Enquiries of management, review of minutes, and review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered the non-rebuttable presumption of a risk of fraud arising from management override of controls as a key audit matter.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

Other matters which we are required to address

We were appointed by the Board on 25 November 2022 to audit the financial statements for the year ended 30 April 2022 and subsequent financial periods. Our total uninterrupted period of engagement is 10 years, covering the periods ended 30 April 2012 to 30 April 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Eric Hindson (Senior Statutory Auditor)

15 Westferry

Circus

For and on behalf of PKF Littlejohn LLP

Canary

Wharf

Statutory Auditor

London E14

4HD

7 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 APRIL 2022

The Accounting Policies and Notes form part of the financial statements.

	Note	Group 2022	Group 2021
Continuing operations		£	£
Revenue from contracts with customers	3	-	3,296,730
Cost of sales		-	(3,483,700)
		—————	—————
Gross Profit/(Loss)		-	(186,970)
Other income		5,033	14,750
Administrative expenses	4	(185,775)	(741,636)
Impairment of goodwill	9	(125,101)	-
Impairment of receivables	10	(578,779)	-
		—————	—————
Operating loss		(884,622)	(913,856)

Interest received		-	29
Finance charges	4	(242,773)	-
		_____	_____
Loss before taxation		(1,127,395)	(913,827)
Income tax	7	-	-
		_____	_____
Loss for the year attributable to equity owners		(1,127,395)	(913,827)
		_____	_____
Total comprehensive income for the year attributable to the equity owners		(1,127,395)	(913,827)
		_____	_____
Total comprehensive income for the year attributable to:			
Owners of Dukemount Capital Plc		<u>(1,176,088)</u>	(913,827)
Non-controlling interests		<u>48,693</u>	-
		_____	_____
		<u>(1,127,395)</u>	(913,827)
		_____	_____
Earnings per share attributable to equity owners			
Basic and diluted (pence)	12	(0.0022)	(0.0020)
		_____	_____

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022**

Note	30 April 2022	30 April 2021
	£	£

Assets**Non current assets**

Intangible assets	9	350,000	-
		<hr/>	<hr/>
		350,000	-

Current Assets

Trade and other receivables	10	38,164	576,316
Cash and cash equivalents		19,214	24,657
		<hr/>	<hr/>
Total Assets		407,378	600,973
		<hr/>	<hr/>

Equity and Liabilities**Equity**

Share capital	13	513,535	481,283
Share premium	14	1,249,305	1,115,035
Share based payments reserve		2,960	2,960
Retained deficit		(3,344,508)	(2,217,113)
		<hr/>	<hr/>
		(1,578,708)	(617,835)

Current Liabilities

Trade and other payables	16	1,986,086	1,218,808
		<hr/>	<hr/>
Total Equity and Liabilities		407,378	600,973
		<hr/>	<hr/>

Total equity and liabilities attributable to
:

Owners of Dukemount Capital Plc	<u>358,685</u>	<u>600,793</u>
Non-controlling interests	<u>48,693</u>	=
	<u>407,378</u>	<u>600,793</u>

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022**

	Note	30 April 2022	30 April 2021
		£	£
Assets			
Non current assets			
Investment in Subsidiaries	8	350,601	101
Current Assets			
Trade and other receivables	10	13,436	133,324
Cash and cash equivalents		16,115	14,505
		_____	_____
Total Assets		380,152	147,829
		_____	_____
Equity and Liabilities			
Equity			
Share capital	13	513,535	481,283
Share premium	14	1,249,305	1,115,035

Share based payments reserve		2,960	2,960
Retained deficit		(3,321,698)	(2,190,926)
		_____	_____
		(1,555,898)	(591,648)
Current Liabilities			
Trade and other payables	16	1,936,050	739,477
		_____	_____
Total Equity and Liabilities		380,152	147,829
		_____	_____

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Parent Company for the year was £1,130,772 (2021: £680,677) and the total comprehensive loss for the year was £1,130,772 (2021: £680,677).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 APRIL 2022

	Share capital	Share premium	Share based payment reserve	Retained deficit	Total	Non controlling interests	Total Equity
	£	£	£	£			£
Balance as at 1 May 2020	439,033	952,211	30,499	(1,330,825)	90,918	-	90,918
Loss for the year	-	-	-	(913,827)	(913,827)	-	(913,827)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(913,827)	(913,827)	-	(913,827)
Transactions with equity owners							

Issue of ordinary shares	42,250	162,824	-	-	205,074	-	205,074
Exercise of warrants	-	-	(27,539)	27,539	-	-	-
Total transactions with owners	42,250	162,824	(27,539)	27,539	205,074	-	205,074
Balance as at 30 April 2021	481,283	1,115,035	2,960	(2,217,113)	(617,835)	-	(617,835)
Balance as at 1 May 2021	481,283	1,115,035	2,960	(2,217,113)	(617,835)	-	(617,835)
Loss for the year	-	-	-	(1,156,761)	<u>(1,156,761)</u>	29,366	(1,127,395)
Other comprehensive income	-	-	-	-	=	-	-
Total comprehensive income for the year	-	-	-	(1,156,761)	<u>(1,156,761)</u>	29,366	(1,127,395)
Transactions with equity owners							
Issue of ordinary shares	32,252	134,270	-	-	166,522	-	166,522
Total transactions with owners	32,252	134,270	-	-	166,522	-	166,522
Balance as at 30 April 2022	513,535	1,249,305	2,960	(3,373,874)	(1,608,074)	29,366	(1,578,708)

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 APRIL 2022

	Share Capital	Share premium	Share based payment reserve	Retained deficit	Total
	£	£	£	£	£
Balance as at 1 May 2020	366,166	789,671	30,499	(1,156,400)	29,936

Loss for the year	-	-	-	(680,677)	(680,677)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(680,677)	(680,677)
Transactions with equity owners					
Issue of ordinary shares	42,250	162,824	-	-	205,074
Exercise of warrants	-	-	(27,539)	27,539	-
Total transactions with owners	42,250	162,824	(27,539)	27,539	205,074
Balance as at 30 April 2021	481,283	1,115,035	2,960	(2,190,926)	(591,648)

Balance as at 1 May 2021	481,283	1,115,035	2,960	(2,190,926)	(591,648)
Loss for the year	-	-	-	(1,130,772)	(1,130,772)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,130,772)	(1,130,772)
Transactions with equity owners					
Issue of ordinary shares	32,252	134,270	-	-	166,522
Total transactions with owners	32,252	134,270	-	-	166,522
Balance as at 30 April 2022	513,535	1,249,305	2,960	(3,321,698)	(1,555,898)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 APRIL 2022

Note	2022	2021
	£	£

Cash Flows from Operating Activities

Loss before taxation		(1,127,395)	(913,827)
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Changes in working capital:

Shares issued in lieu of expenses		30,727	-
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Impairment of goodwill	9	125,101	-
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Impairment of receivables	10	578,779	-
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(Increase)/decrease in trade and other receivables	10	(40,627)	33,242
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(Decrease)/Increase in trade and other payables	16	(232,722)	265,070
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Net Cash generated from/(used in) Operating Activities		(666,137)	(615,515)
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Cash Flows from Financing Activities

Net proceeds from issue of shares	12	-	231,761
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Loans received	16	1,000,000	-
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Net Cash generated from Financing Activities		1,000,000	231,761
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Cash Flows from Investing Activities

Investment in subsidiary		(339,306)	-
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Net cash used in Investing Activities		(339,306)	-
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Net Decrease in Cash and Cash Equivalents		(5,443)	(383,754)
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Cash and cash equivalents at the beginning of the year		24,657	408,411
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Cash and Cash Equivalents at the End of the Year	19,214	24,657
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COMPANY STATEMENT OF CASH FLOWS
YEAR ENDED 30 APRIL 2022

	Note	2022	2021
		£	£
Cash Flows from Operating Activities			
Loss before taxation		(1,130,772)	(680,677)
Adjustments for:			
Changes in working capital:			
Provision for inter company loans	10	491,628	-
Impairment	9	125,101	-
Shares issued in lieu of expenses		30,727	-
Decrease in trade and other receivables	10	1,060	283,435
(Decrease)/increase in trade and other payables	16	(176,828)	168,137
Net Cash used in Operating Activities		(659,084)	(229,105)
Cash Flows from Investing Activities			
Funding issued/repaid from subsidiary undertakings		-	(145,516)
Investment in subsidiary		(339,306)	
Net Cash used in Investing Activities		(339,306)	(145,516)
Cash Flows from Financing Activities			

Net proceeds from fundraising	12 -	231,761
Loans received	16 1,000,000	-
Net Cash generated from/used in Financing Activities		<hr/> 1,000,000 231,761 <hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,610	(142,860) <hr/>
Cash and cash equivalents at the beginning of the year	14,505	157,365 <hr/>
Cash and Cash Equivalents at the End of the Year	16,115	14,505 <hr/>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 APRIL 2022

The Accounting Policies and Notes form part of the financial statements.

1. General Information

Dukemount Capital Plc was incorporated in the UK on 20 April 2011 as a public limited company with the name Black Lion Capital Plc. The Company subsequently changed its name to Black Eagle Capital Plc on 13 September 2011 and on 15 November 2016 changed its name to Dukemount Capital Plc. On 29 March 2017 the Company was admitted to the London Stock Exchange by way of a standard listing.

The Group's principal activity is now to ensure that the financial position and prospects of the Company are maintained to facilitate a future reverse transaction.

The parent company's registered office is located at 70 Jermyn Street, London SW1Y 6NY.

2. Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of Preparation of Financial Statements

The consolidated financial statements of Dukemount Capital Plc have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Pound Sterling (£), rounded to the nearest pound.

The consolidated entities include the wholly owned subsidiaries DKE (North West) Limited and DKE (Wavertree) Limited; and DKE Flexible Energy Limited in which the Company acquired a 50% equity interest and is deemed to exercise control from the date of its acquisition on 20 May 2021.

The individual entity financial statements of each subsidiary were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (FRS 101).

b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired companies on

an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The Group's interest in Gas Peaking projects is treated as a business combination instead of an asset acquisition as there is an intention to enter that business, supported by a business plan.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

c) Going Concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption.

The Directors have reviewed projections for a period of at least 12 months from the date of approval of the Financial Statements.

In making their assessment of going concern, the Directors have discussed the Company's position with its funders and professional advisors. In November 2022 the Company agreed a term sheet with its current investors and broker in which its broker will facilitate a capital investment into the Company of circa £250,000 to £400,000; a commitment to pay certain outstanding fees and a commitment to provide further funding whilst looking for a possible reverse transaction. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group has sufficient funds available to it following events after the year end.

The Directors note that the Group has always been successful with past fundraises and continue to believe strongly in the Group's potential. However, the success of securing funding or a reverse transaction has been identified as a material uncertainty which may cast significant doubt over the going concern assessment. Whilst acknowledging this uncertainty, based upon the expectation of completing a successful fundraising in the near future, and the continued support of its investors and broker, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

d) Changes in accounting policies and disclosure

In issue and effective for periods commencing on 1 May 2021

The Company has applied the following standard and amendments for the first time for its annual reporting period commencing 1 May 2021

- Definition of Material - Amendments to IAS 1 and IAS 8;
- Definition of a Business - Amendments to IFRS 3;
- Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7;

- Revised Conceptual Framework for Financial Reporting;
- Annual improvements to IFRS Standards 2018-2020 Cycle; and
- COVID-19 related rent concessions - Amendments to IFRS.

The adoption of these standards and amendments have not had a material impact on the Group or Company in the year.

In issue but not effective for periods commencing on 1 May 2022

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2022 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the company, except the following set out below:

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group or Company.

e) Segmental reporting

Identifying and assessing investment projects is the only activity the Group is involved in and is therefore considered as the only operating/reportable segment.

Therefore the financial information of the single segment is the same as that set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cashflows.

f) Revenue from contracts with customers

Revenue relates to amounts contractually due under a property development agreement at the balance sheet date relating to the stage of completion of a contract as measured by surveys of work performed to date. Revenue is recognised for services when the Group has satisfied its contractual performance obligation in respect of the services. The amount recognised for the services performed is the consideration that the Group is entitled to for performing the services provided. Revenue from contracts with customers is recognised over time.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change, and may include cost contingencies to take into account specific risks within each contract. Cost contingencies are reviewed on a regular basis throughout the life of the contract. However, the nature of the risks on projects are such that they often cannot be resolved until the end of the project and therefore may reverse until the end of the project. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. The estimated final

outcomes on projects are continuously reviewed, and adjustments are made when necessary. Provision is made for all known or expected losses on individual contracts once such losses are foreseen.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is recognised as contract assets within trade and other receivables. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is recognised as contract liabilities within trade and other payables.

g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and current and deposit balances with banks. This definition is also used for the Statement of Cash Flows.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

The Group considers that it is not exposed to major concentrations of credit risk.

h) Financial Instruments

Financial assets

The Group and Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss; and
- Those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. The Group's and Company's financial assets at

amortised cost include trade and other receivables, contract assets and cash and cash equivalents. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group currently does not recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss, as the effect would be immaterial on these financial statements. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group assesses a non-performing debt based on the payment terms of the receivable.

i) Financial liabilities

Financial liabilities, comprising trade and other payables, are held at amortised cost.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

j) De-recognition of Financial Instruments

i. Financial Assets

A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Group has transferred the rights to receive cash flows from the asset, and either has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

k) Taxation

Current tax

Current tax is based on the taxable profit or loss for the year. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or recognised in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are

recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes

levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted at the Statement of Financial Position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

l) Equity

Equity comprises the following:

- Share capital representing the nominal value of the equity shares;
- Share premium representing consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- Share based payments reserve representing the fair value of share based payments valued in accordance with IFRS 2.

m) Share Capital

Ordinary shares are classified as equity.

n) Share Based Payments

The Group has issued warrants over the ordinary share capital as described in note 15. In accordance with IFRS 2, the total amount to be expensed over the vesting period for warrants issued for services is determined by reference to the fair value of the warrants granted, excluding nonmarket vesting conditions. Nonmarket vesting conditions are included in assumptions about the number of warrants that are expected to vest.

For warrants issued relating to the raising of finance, the relevant expense is offset against the share premium account. The total amount to be expensed is determined by reference to the fair rate of the warrants granted, excluding nonmarket vesting conditions. Nonmarket vesting conditions are included in assumptions about the number of warrants that are expected to vest.

o) Investments

Equity investments in subsidiaries are held at cost, less any provision for impairment.

p) Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

The Group has no foreign currency transactions or borrowings, so is not exposed to market risk in terms of foreign exchange risk. The Group will require funding to acquire and develop and/or refurbish its properties and accordingly will be subject to interest rate risk.

Risk management is undertaken by the Board of Directors.

Market Risk - price risk

The Group was exposed to equity securities price risk because of investments held by the Group, classified as available-for-sale financial assets. These assets were sold in the year, and therefore the carrying value at the year end is £nil, which represents the maximum exposure for the Group.

The Group is not exposed to commodity price risk. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Credit risk

Credit risk arises from cash and cash equivalents as well as any outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk, which is stated under the cash and cash equivalents accounting policy.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The proceeds raised

from the placing are being held as cash to enable the Group to fund a transaction as and when a suitable target is found.

Controls over expenditure are carefully managed, in order to maintain its cash reserves whilst it targets a suitable transaction.

Financial liabilities are all due within one year.

Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Group has no borrowings.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the total equity held by the Group, being a net asset of £407,378 as at 30 April 2022 (2021: net asset £600,973).

q) Critical Accounting Estimates and Judgements

The Directors make estimates and assumptions concerning the future as required by the preparation of the financial statements in conformity with UK-adopted international accounting standards. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Share based payments

In accordance with IFRS 2 'Share Based Payments' the Group has recognised the fair value of warrants calculated using the Black-Scholes option pricing model. The Directors have made significant assumptions particularly regarding the volatility of the share price at the grant date in order to calculate a total fair value. Further information is disclosed in Note 15.

ii) Percentage completion method used for long term contracts

The Group makes an estimate of the stage of completion of a development project based on the costs incurred at the year end. Management then make assumptions regarding the collectability of billings and expected future costs. The method used is as stated in the constructions contract

accounting policy 2f). Estimation uncertainty will exist with regard to the gross profit being recognised at the year end. The Directors believe that this uncertainty is reduced to an acceptable level by using quantity surveyors' reports to assess the stage of contract completion at the year end.

iii) Intercompany balances

Subsequent to the year end, the Company has also commenced a group reorganisation process of novating and capitalising intercompany debts and whilst this process is ongoing they have concluded that no impairment is required at 30 April 2022.

3. Revenue

Analysis of turnover by geography:

	2022	2021
	£	£
United Kingdom	-	3,926,730
	-	3,926,730

Analysis of turnover by category:

	2022	2021
	£	£
Property management and building development services	-	3,926,730
	-	3,926,730

All revenue is recognised over time.

4. Expenses by Nature

	2022	2021
	£	£
Directors' fees	51,250	102,500

Establishment costs	28,733	27,219
Legal and professional fees	40,763	460,629
Listing/ regulatory costs	26,592	89,689
Travel and accommodation	2,196	2,791
Other expenses	31,208	58,808
Finance charges	242,773	-
Impairment (Note 9)	125,101	-
Impairment (Note 10)	578,779	-
Total Administrative Expenses	1,127,395	741,636

Finance charges relate to fees incurred in financing activities; £101,250 of these fees are accrued interest and arrangement fees; £141,523 were satisfied by the issue of ordinary shares.

5. Directors' Remuneration

Company

	2022	2021
	£	£
Geoffrey Dart	37,500	85,303
Paul Gazzard	13,750	27,500
	_____	_____
Total	51,250	112,803
	_____	_____

The Directors elected not to be paid, nor accrue their entitlement from November 2021. Other benefits of £nil (2021: £10,303) were also paid to the directors.

Details of directors' remuneration are included in the Directors' Remuneration Report.

The average number of employees (including directors) during the year was 2 (2021: 2).

6. Services provided by the Company's Auditors

During the year, the Group obtained the following services from the Group's auditors and its associates:

	2022	2021
	£	£
Fees payable to the Company's auditor for:		
Audit of the Group and Company	26,000	26,250
Audit of the subsidiary undertakings	10,000	11,250
	<u>36,000</u>	<u>37,500</u>

7. Taxation

Tax Charge for the Year

No taxation arises on the result for the year due to taxable losses.

Factors Affecting the Tax Charge for the Period

The tax credit for the period does not equate to the loss for the period at the applicable rate of UK Corporation Tax of 19.00% (2021: 19.00%). The differences are explained below:

	2022	2021
	£	£
Loss for the period before taxation	(1,127,395)	(913,827)
	_____	_____
Loss for the period before taxation multiplied by the standard rate of UK Corporation of 19.00% (2021: 19.00%)	(214,205)	(173,627)
Losses carried forward on which no deferred tax asset is recognised	214,205	173,627

_____	_____
-	-
_____	_____

Factors Affecting the Tax Charge of Future Periods

Tax losses available to be carried forward by the Group at 30 April 2022 against future profits are estimated at £3,282,222 (2021 - £2,154,827).

A deferred tax asset has not been recognised in respect of these losses in view of uncertainty as to the level of future taxable profits.

There is no expiry date on carried forward tax losses.

8. Investment in subsidiaries

Company

	2022 £	2021 £
Shares in Group Undertakings		
As at 1 May	101	101
Additions in the year	475,601	-
Impairment (note 9)	(125,101)	-
At 30 April	350,601	101

Details of Subsidiaries

Details of the subsidiaries at 30 April 2022 are as follows:

Name of subsidiary	Address of registered office	Country of incorporation	Share capital held by Parent	% share capital held	Principal activities
DKE (North West Limited)	70 Jermyn Street, London, UK	England	100	100%	Property management and development

DKE (Wavertree) Limited	70 Jermyn Street, London, UK	England	1	100%	Property management and development
Dukemount Limited	70 Jermyn Street, London, UK	England	1	100%	Dormant
DKE Flexible Energy Limited*	70 Jermyn Street, London, UK	England	500	50%	Flexibility power
ARL Limited	70 Jermyn Street, London, UK	England	indirect	-	Flexibility power
ADV 001 Limited	70 Jermyn Street, London, UK	England	indirect	-	Flexibility power

*On 20 May 2021, the Company acquired a 50% interest in the equity of HSKB Limited under a Joint Venture and Shareholders' Agreement. HSKB Limited was subsequently renamed DKE Flexible Energy Limited on 1 October 2021 following its acquisition of 100% of the share capital of ARL 018 Limited and ADV 001 Limited.

9. Intangible assets

On 20 May 2021 Dukemount Capital Plc, entered into a Joint Venture Agreement in relation to flexibility power expert HSKB Ltd ("HSKB"), of which Dukemount non-executive director Paul Gazzard is a founder and shareholder. Pursuant to the Joint Venture Agreement, Dukemount acquired 50% of the issued share capital of HSKB for nominal value. On 1 October 2021 HSKB purchased two special purpose companies, ARL 018 Limited and ADV 001 Limited. Each company containing the rights to an 11kV gas peaking facility, ready to build, with full planning permission and grid access. HSKB has changed its name to DKE Flexible Energy Limited ("DKE Energy").

The assets and liabilities as of 1 October 2021 arising from the acquisition of ARL 018 Limited and ADV 001 Limited are as follows:

	Book value at acquisition £	Fair value adjustments £	Fair value at acquisition £
Consideration	315,642	-	315,642
Cash	55	-	55
Assets	44,049	-	44,049
Liabilities	(87,317)		(87,317)
Reserves	(52,750)		(52,750)

At 30 April

411,605

-

411,605

During the period to 30 April 2022, the Group added £63,496 to the value of the assets in relation to deposits resulting in a carrying value at 30 April 2022 of £475,101. In performing an assessment of the carrying value of the assets at the reporting date, the Directors concluded that as no development activity had been undertaken during the year ended 30 April 2022, it was appropriate to book an impairment of £125,101, resulting in a carrying value of £350,000 at 30 April 2022.

The Directors formed this opinion based upon their calculation of estimated fair value less cost to sell. This was considered to be in excess of the carrying value of the asset. Further post year end, on 5 October 2022, the Company announced that DKE Flexible Energy sold the two special purpose companies, for an aggregate sale price of £350,000. Despite having the funding in place to construct these assets, the regulatory environment that evolved for the Company during the transaction to buy and then fund the construction of them meant there was little option but to dispose of the assets. The proceeds of the sale have been used to repay a portion of the sums owing to the Company's lenders.

10. Trade and Other Receivables

	Group 2022	Company 2022	Group 2021	Company 2021
	£	£		£
Other receivables, including prepayments	38,164	13,436	15,100	14,496
Amounts owed by group undertakings	-	-	-	118,828
Amounts recoverable on contracts	-	-	561,216	-
	<u>38,164</u>	<u>13,436</u>	<u>576,316</u>	<u>133,324</u>

The fair value of all receivables is the same as their carrying values stated above.

The maximum exposure to credit risk at the reporting date is the carrying value mentioned above. The Group does not hold any collateral as security.

Amounts recoverable on contracts represents sales invoices issued after 30 April in respect of work undertaken during the year with appropriate provision being made in accruals and deferred

Basic and diluted profit per share	2022	2021
£		£
Continuing Operations - basic and diluted	0.0022	0.0020

13. Share Capital

Group and Company

	2022	2021
	No.	No
Allotted, issued and fully paid	(000's)	(000's)
Beginning of year	481,283	439,033
New shares issued (32,252,308 ordinary shares of £0.001 each)	32,252	42,250
At 30 April 513,535,974 ordinary shares of £0.001 each (2021: 481,283,666 ordinary shares of £0.001 each)	513,535	481,283

14. Share Premium

Group and Company

	Share Premium £	Share issue costs £	Net Share Premium £
At 1 May 2021	1,140,838	(25,803)	1,115,035
Issue of shares	134,270	-	134,270
At 30 April 2022	1,274,108	(25,803)	1,249,305

15. Share Based Payments

Details of the warrants outstanding at 30 April 2022 are included below. The fair value of the warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

Warrant granted on:	At 29 March 2017
Warrant life remaining (years)	1 year
Warrants granted	27,064,000
Risk free rate	0.5%
Expiry date	29 March 2023
Exercise price (£)	0.005
Expected volatility	20%
Expected dividend yield	-
Marketability discount	20%
Total fair value of warrants granted (£)	7,125

The expected volatility for the warrants granted is based on the historical share price volatility of similar listed entities from their date of admission to the market up to the completion of the first six months of trading. This is considered to be the most reasonable measure of expected volatility, given the relatively brief trading history of the Group.

The warrants issued in 2017 were modified in 2021, with their expiry date being extended until 29 March 2023. The fair value adjustment as required under IFRS 2 as a result of this modification was immaterial and as such no change in the fair value has been reflected in the Financial Statements.

The risk free rate of return is based on zero yield government bonds for a term consistent with the warrant life. A reconciliation of warrants in issue over the period to 30 April 2022 is shown below:

	Number	Weighted average exercise price (£)
As at 1 May 2021	10,739,000	0.005
Expired during year	<u>(10,675,000)</u>	<u>0.005</u>
Outstanding as at 30 April 2022	<u>64,000</u>	<u>0.005</u>

Exercisable at 30 April 2022	64,000	0.005
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The weighted average contracted and expected life (years) for the above warrants is 1 year (2021 - 1 year).

16. Trade and Other Payables

	Group 2022	Company 2022	Group 2021	Company 2021
	£	£	£	£
Trade payables	806,296	772,549	1,052,660	615,038
Other creditors	1,101,250	1,101,250	-	-
Accruals	78,540	62,251	166,148	124,439
	<u>1,986,086</u>	<u>1,936,050</u>	<u>1,218,808</u>	<u>739,477</u>

In May 2021, the Company entered into a 12-month convertible unsecured loan facility for £1,000,000 ("Facility") of which £500,000 was available immediately and the additional £500,000 available conditional on certain milestones being met by the Company. The Facility was interest free and unsecured. The Facility was convertible at the election of the Company or the Lenders into ordinary shares at a deemed issued price of £0.0065 per share, subject to the Company having sufficient authorities in place and to the publication of any prospectus required pursuant to the Prospectus Regulation Rules. In June 2021, the Company issued 13,286,713 ordinary shares as payment under the Facility Agreement in relation to fees. An availability fee of £70,000, £10,000 drawdown fees and reimbursement of legal fees were converted into ordinary shares at 0.715p.

In September 2021, the Company signed off a subordinated funding package necessary to enable completion of the senior debt funding for the gas peaking projects first announced via its JV with HSKB in March 2021 ("Generation Project"). As a condition for this funding package, the Company also made significant positive adjustments to its balance sheet and is restructuring its board with seasoned energy market executives to enhance the company's ability to deliver the projects in its recently announced JV. The Chesterfield convertible loan of £500,000 will be fully converted into ordinary shares of the company at £0.0065 price per share. The £1,000,000 unsecured loan facility signed in May 2021 was repaid from the new funding and that facility was terminated. The new funding package assembled by the Company comprises: £3,000,000 mezzanine, 18 month loan facility with 4 month repayment holiday. £1,000,000 was drawn down immediately upon execution with a balance of £1,101,250 at 30 April 2022 including charges and accrued interest. The terms of this new facility were varied in October 2022 with total amounts due deferred and to be repaid under new terms (Note 21)

17. Treasury Policy and Financial Instruments

The Group operates an informal treasury policy which includes the ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Group has financed its activities by the raising of funds through the placing of shares.

There are no material differences between the book value and fair value of the financial instruments.

	Group 2022	Company 2022	Group 2021	Company 2021
	£	£	£	£
Carrying amount of financial assets				
Measured at amortised cost	407,378	380,152	600,973	147,829
	<hr/>	<hr/>	<hr/>	<hr/>
	407,378	380,152	600,973	147,829
Carrying amount of financial liabilities				
Measured at amortised cost	1,986,086	1,936,050	1,218,808	739,477
	<hr/>	<hr/>	<hr/>	<hr/>
	1,986,086	1,936,050	1,218,808	739,477

18. Capital Commitments

There were no capital commitments authorised by the Directors or contracted for at 30 April 2022.

19. Related Party Transactions

The Directors are Key Management and information in respect of key management is given in Note 5.

A bonus accrual brought forward from prior year of £75,000 relating to Geoffrey Dart has been cancelled and reversed as at 30 April 2022.

At 30 April 2022, the Company was due from DKE (Wavertree), a wholly owned subsidiary of the Group, £223,365 (2021: due to £103,065). The Company has provided against this amount in full (Note 9).

At 30 April 2022, the Company was due from DKE (Northwest), a wholly owned subsidiary of the Group, £268,263 (2021: due to £15,763). The Company has provided against this amount in full (Note 9).

At 30 April 2022, the Company was due £339,306 (2021: nil) from DKE Flexible Energy Limited, a company in which Dukemount owns 50% of the shares and in which Paul Gazzard is a shareholder. Dukemount loaned DKE Flexible Energy Limited £329,306 on an interest free, repayable on demand loan on 6 October 2021 to acquire ADV 001 Limited and ARL 018 Limited in which Paul Gazzard was a director from 6 September 2021 to 6 October 2022. Following the year end, DKE Flexible Energy Limited sold its interests in ADV 001 Limited and ARL 018 Limited for aggregate proceeds of £350,000. The proceeds were used by Dukemount to satisfy debt.

20. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

21. Events after the reporting period

On 5 October 2022 the Company announced that HSKB Limited ("HSKB"), in which it holds a 50% interest, had completed the sale of two special purpose companies containing an 11kV gas peaking facility, ready to build, with full planning permission and grid access for an aggregate sale price of £350,000. The proceeds of the sale have been used to repay a portion of the sums owing to the lenders as detailed in the announcement of 15 September 2021.

Further to the disposal of the gas peaking facilities, the lenders agreed to advance net proceeds of £50,000 in aggregate in addition to restructuring their existing funding arrangement. The maturity date for the existing debt plus the further advance is to be 24 months from the date of the Advance (being 10 October 2024). The proceeds of the further advance have been used to settle accrued liabilities of the Company.

The board has taken steps to ensure that the financial position and prospects of the Company are maintained to facilitate a future reverse transaction. To that end, the board has confirmed that the directors have released the Company from all accrued but unpaid emoluments; Chesterfield Capital Limited have confirmed that the outstanding balance of £500,000 due to Chesterfield Capital Limited will be converted at a price of 0.65p. Such subscription to settle all balances due from the Company and to be settled by the issuance of shares at the earlier of (a) the approval of a prospectus, (b) the direction of the board of the Company and (c) 31 December 2023.

The restructuring and further advance debt is convertible at the nominal value of 0.1p of the ordinary shares of the Company. The further advance is subject to a 5% implementation fee. The Company has settled a 9.5% extension fee of £74,575 to the Noteholders in the form of ordinary shares at nominal value. Accordingly the Company issued 74,575,000 ordinary shares in the Company on 12 October 2022 and 28,132,190 ordinary shares on 28 October 2022.

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