RNS Number : 0754Y
Dukemount Capital PLC
17 August 2018

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Dukemount Capital plc

("Dukemount" or the "Company")

Final Results for the year ended 30 April 2018

Dukemount Capital Plc (LSE: DKE), a business formed for the purpose of acquiring, developing and managing real estate portfolios specialising mainly in the supported living and hotels sector, reports its Final Results for the year ended 30 April 2018.

All financial amounts are stated in GBP British pounds unless otherwise indicated.

CHAIRMAN'S STATEMENT

I hereby present the annual financial statements for the year ended 30th April 2018. During the year the Group reported a loss of £285,968 (30 April 2017 - loss of £177,149). These losses arose in the course of the Group: pursuing transactions in its chosen sector; acquiring its first property; maintaining the Company's listing on the Official List of the UK Listing Authority by way of a standard listing, and include: directors' fees; consultancy fees; and professional fees. As at the Statement of Financial Position date the Company had £148,391 of cash balances.

During the course of the year, through its subsidiary DKE (North West) Limited, a redevelopment project was acquired on 7th September 2017 which aims to build retail space of approximately 3,200 square feet and 17 residential apartments for supported living tenants. As part of that project a 50-year lease with a supported living housing association has been agreed which expects to generate around £234,000 of income per annum which is CPI-linked.

On 11th June 2018, through its subsidiary DKE Wavertree Limited, the Company signed a 30 year CPI linked agreement-to-lease at £168,740 per annum with multi-award winning Inclusion Housing (Inclusion) and has agreed to exchange contracts with the vendor of the property subject to planning permission for additional rooms.

The Group has explored numerous opportunities during the year and whilst progress has not been as fast moving as we would have liked we do consider that we are now working with the right parties on the right properties and look forward to moving ahead with our first two projects and using this model as a blueprint for future developments. As at the date of this report the Group continues to finalise plans to enhance both these projects and will make further announcements to the market on these properties as soon as appropriate.

I would like to thank all those who have assisted and supported the Group during the year and look forward to a more positive year ahead.

Geoffrey Dart
Executive Chairman

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2018

Continuing operations	Note	Group 2018 £	Company 2017 £
Revenue		-	-
Administrative expenses	3	(363,110)	(167,470)
Operating loss		(363,110)	(167,470)
Interest received		188	-
Profit/(loss) on disposal of available for sale financial asset	9	76,954	(9,679)
Loss before taxation		(285,968)	(177,149)
Income tax	6	-	-
Loss for the year attributable to equity owners		(285,968)	(177,149)
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss:			
Change in fair value of available for sale financial assets	9	77,500	800
Reclassification of cumulative (gain)/loss on available for sale financial assets on disposal	9	(77,500)	17,200
Total comprehensive income for the year attributable to the equity owners		(285,968)	(159,149)
Earnings per share attributable to equity owners			
Basic and diluted (pence)	12	(0.084)	(0.099)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 30 APRIL 2018

	Note	30 April 2018 £
Assets		
Non current assets		
Investment properties	7	197,868
Current Assets		
Trade and other receivables	10	32,847
Cash and cash equivalents		148,391
Total Assets		379,106
Equity and Liabilities		
Equity		
Share capital	13	339,500
Share premium	14	736,337
Share based payments reserve		30,499
Retained earnings		(752,980)
		353,356
Current Liabilities		
Trade and other payables	16	25,750
Total Equity and Liabilities		379,106

COMPANY STATEMENT OF FINANCIAL POSITION

YEAR ENDED 30 APRIL 2018

	Note	30 April 2018 £	30 April 2017 £
Assets			
Non current assets			
Investment in Subsidiaries	8	101	-
Current Assets			
Available for sale financial assets	9	-	25,000
Trade and other receivables	10	244,614	41,793
Cash and cash equivalents		148,391	593,406
Total Assets		393,106	660,199
Equity and Liabilities			
Equity			
Share capital	13	339,500	338,300
Share premium	14	736,337	731,537
Share based payments reserve		30,499	30,499
Retained earnings		(731,480)	(467,012)
		374,856	633,324
Current Liabilities			
Trade and other payables	16	18,250	26,875
Total Equity and Liabilities		393,106	660,199

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 APRIL 2018

	Share Capital £	Share premium £	Share payments based reserve £	Retained earnings £	Total £

Balance as at 1 May 2017	338,300	731,537	30,499	(467,012)	633,324
Loss for the year	-	-	-	(285,968)	(285,968)
Other comprehensive Income					
Change in fair value of available for sale financial assets	-	-	-	77,750	77,500
Reclassification of cumulative gain on available for sale financial assets on disposal	-	-	-	(77,750)	(77,500)
Total comprehensive income for the year	-	-	-	(285,968)	(285,968)
Transactions with equity owners					
Issue of ordinary shares	1,200	4,800	-	-	6,000
Total transactions with owners	1,200	4,800	-	-	6,000
Balance as at 30 April 2018	339,500	736,337	30,499	(752,980)	353,356

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 APRIL 2018

	Share Capital £	Share premium £	Share payments	based reserve £	Retained earnings £	Total £
Balance as at 1 May 2016	152,500	196,500		23,308	(307,863)	64,445
Loss for the year	-	-		-	(177,149)	(177,149)
Other comprehensive income						
Change in fair value of available for sale financial assets	-	-		-	800	800
Reclassification of cumulative loss on available for sale financial assets on disposal	-	-		-	17,200	17,200
Total comprehensive income for the year	-	-		-	(159,149)	(159,149)
Issue of ordinary shares	185,800	623,200		-	-	809,000
Issue costs	-	(88,163)		-	-	(88,163)
Share based payments	-	-		7,191	-	7,191
Total transactions with owners	185,800	535,037		7,191	-	728,028
Balance as at 30 April 2017	338,300	731,537		30,499	(467,012)	633,324
At 1 May 2017	338,300	731,537		30,499	(467,012)	633,324
Loss for the year	-	-		-	(264,468)	(264,468)
Other comprehensive Income						
Change in fair value of available for sale financial assets	-	-		-	77,750	77,500
Reclassification of cumulative loss on available for sale financial assets on disposal	-	-		-	(77,750)	(77,500)
Total comprehensive income for the year	-	-		-	(264,468)	(264,468)
Issue of ordinary shares	1,200	4,800		-	-	6,000
Total transactions with owners	1,200	4,800		-	-	6,000
Balance as at 30 April 2018	339,500	736,337		30,499	(731,480)	374,856

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 APRIL 2018

	Note	2018 £
Cash Flows from Operating Activities		
Loss before taxation		(285,968)
Adjustments for:		
Profit on disposal of available for sale financial assets	9	(76,954)
Share based payment	13	6,000
Changes in working capital:		
Decrease in trade and other receivables		8,946
Decrease in trade and other payables		(1,125)
Net Cash used in Operating Activities		(349,101)
Cash Flows from Investing Activities		
Purchase of investment property	7	(197,868)
Proceeds from sale of available for sale financial assets	9	101,954
Net Cash used in Investing Activities		(95,914)
Net Decrease in Cash and Cash Equivalents		(445,015)
Cash and cash equivalents at the beginning of the year		593,406
Cash and Cash Equivalents at the End of the Year		148,391

The only non-cash transaction in the year was the issue of 1,200,000 ordinary shares to WalbrookPR for PR services.

COMPANY STATEMENT OF CASH FLOWS
YEAR ENDED 30 APRIL 2018

	Note	2018	2017
		£	**£**
Cash Flows from Operating Activities			
Loss before taxation		(264,468)	(177,149)
Adjustments for:			
(Profit)/Loss on disposal of available for sale financial assets	9	(76,954)	9,679
Share based payment	13	6,000	7,191
Changes in working capital:			
Increase in trade and other receivables		(202,821)	(37,867)
(Decrease)Increase in trade and other payables		(8,625)	23,025
Net Cash used in Operating Activities		(546,868)	(175,121)
Cash Flows from Investing Activities			
Purchase of subsidiaries	8	(101)	-
Proceeds from sale of available for sale financial assets	9	101,954	10,321
Net Cash generated from Investing Activities		101,853	10,321
Cash Flows from Financing Activities			
Proceeds from issue of shares, net of issue costs		-	720,837
Net Cash generated from Financing Activities		-	720,837
Net (Decrease)/Increase in Cash and Cash Equivalents		(445,015)	556,037
Cash and cash equivalents at the beginning of the year		593,406	37,369
Cash and Cash Equivalents at the End of the Year		148,391	593,406

The only non-cash transaction in the year was the issue of 1,200,000 ordinary shares to WalbrookPR for PR services.

NOTES TO THE ANNOUNCEMENT
YEAR ENDED 30 APRIL 2018

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 to acquire, manage, develop and, where appropriate on-sell, real estate portfolios specialising mainly in the supported living and hotels sector.

The parent company's registered office is located at 50 Jermyn Street, London SW1Y 6LX.

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**

The financial statements of Dukemount Capital Plc have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have also been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets at fair value.

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. Both subsidiaries were dormant in the previous period.

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 acquire 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.

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 consolidated 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. The Group has no revenues but significant cash resources were raised, following its listing, to finance its activities whilst it identifies and completes suitable transaction opportunities. Further development of the existing and new projects is reliant on further external funding. The Group are currently in negotiations with several parties to secure future funding for the development work. Furthermore, the Group is in advanced negotiations to enhance both of its existing projects with investment funds.

In making their assessment of going concern, the Directors acknowledge that the Group has a very small cost base and can therefore confirm that they hold sufficient funds to ensure the Group continues to meet its obligations as they fall due for a period of at least one year from date of approval of these Financial Statements. The Group can enter in to significant cost cutting measures to ensure sufficient capital resources to continue as a going concern. Accordingly, the Board believes it is appropriate to adopt the going concern basis in the preparation of the Financial Statements.

d) **Changes in accounting policies and disclosure**

i) New and Amended Standards mandatory for the first time for the period beginning 1 May 2017

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 May 2017 have had a material impact on the Group.

ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IFRS 9 (Amendments)	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 2 (Amendments)	Share-based payments - classification and measurement	1 January 2018
Annual improvements	2014-2016 Cycle	1 January 2018
IFRIC Interpretations 22	Foreign currency transactions and advanced consideration	1 January 2018
IAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements	2015-2017 Cycle	Not yet known

*Subject to EU endorsement

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds. There is not expected to be any significant impact from the introduction of IFRS 15 as the Group does not have any revenue from contracts with customers.

Based on an analysis of the Group's financial assets and financial liabilities as at 30 April 2018 on the basis of the facts and circumstances that exist at that date, the Directors of the Group do not expect there to be a significant impact on the adoption of IFRS 9.

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. As the subsidiaries grow and acquire additional properties and projects, management will then consider them as separate reportable segments.

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) **Tangible Assets**

i. Investment properties

Investment properties are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

ii. Investment properties not available for use

Investment properties not available for use relate to properties that are being refurbished, and are stated at cost. These assets are not depreciated until they are available for use.

iii. *Impairment of tangible assets*

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

g) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and current and deposit balances with banks and similar institutions. 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 will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'AA-'.

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

h) **Financial Instruments**

Financial assets

Financial assets, comprising solely of other receivables and cash and cash equivalents, are classified as loans and receivables held at amortised cost.

Other financial assets, being available for sale financial assets, are classified as available for sale. This classification is determined at initial recognition and depends on the purpose for which the financial assets
were acquired. These assets are non-derivative financial assets either designated as such or not classifiable under any of the other categories. They are included under current assets as management intends to dispose of the investments within 12 months of the end of the reporting period, where it is in the Group's best interests to do so.

Available for sale financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Available for sale financial assets are subsequently carried at fair value unless the Group is precluded from doing so as, in the case of unlisted equity securities, the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. In such circumstances available-for-sale financial assets are held at cost and reviewed annually for impairment. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary non-derivative financial assets classified as available for sale are recognised in other comprehensive income. When such financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as net "gains/(losses) from disposal of available for sale financial assets."

Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Group's right to receive payments is established.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio; or
- for assets classified as available-for-sale, a significant or prolonged decline in fair value of the security below its cost.
- For loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

For assets classified as available-for-sale, the Group assesses at each reporting period whether there is objective evidence that a financial asset is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is one example that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

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;
- Retained earnings representing retained profits and losses, and the accumulated fair value adjustments on available-for-sale financial assets that are not permanently impaired.

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 non-market vesting conditions. Non-market 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 non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of warrants that are expected to vest.

o) **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.

The Group previously held investments in equity of other entities which are publicly traded and are listed on the London Stock Exchange. These investments in Hemogenyx Pharmaceuticals Plc were valued in accordance with tier 3 of the fair value hierarchy in the previous period, as the shares were previously suspended. The shares started trading again in the current period, therefore because there was an active market the investment has been classified as level 1 for the revaluation on disposal in the year ended 30 April 2018.

There is a limited volume of shares traded in these companies and if a significant disposal of the shares was made by the Group, this could have a significant impact on the realisable value of their shares. The table below summarises the potential impact of increases/decreases in the market price on the Group's results for the year and on equity. The analysis is based on the assumption that the share prices have increased/decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the market:

	Profit/(Loss) for the year		**Other comprehensive income**	
Potential impact on:	**2018**	**2017**	**2018**	**2017**
Listed Investments (Level 1)	**£**	**£**	**£**	**£**
Available-for-sale financial assets - 5% increase	-	-	-	1,250
Available-for-sale financial assets - 5% decrease	-	-	-	(1,250)

There is no impact at the year end as all level 1 investments had been disposed of in the year and fair value gains and losses recognised in profit or loss.

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 £353,356 as at 30 April 2018 (2017: £633,324).

p) **Fair Value Estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The level at which a financial instrument can be defined is as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value.

	2017	
Assets	**Level 3**	**Total**
	£	**£**
Available-for-sale financial assets	25,000	25,000
Total assets	25,000	25,000

The investment in Hemogenyx Pharmaceuticals Plc (formerly Silver Falcon Plc) is quoted and would be classified as Level 1. The investment, which was previously valued in accordance with level 3 of the fair value hierarchy when the listing was previously suspended, has been transferred to level 1 in the year ended 30 April 2018, as the shares commenced trading in an active market.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair values of quoted investments are based on current bid prices.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available, and rely as little possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments;
- other techniques, such as discounted cash flow analysis or the last available quoted market price are used to determine fair value for the remaining financial instruments.

The following table presents the changes in Level 1 instruments for the period ended:

	2018 £	2017 £
Balance as at 1 May	-	2,000
Transfer from Level 3 to Level 1	25,000	-
Fair value profit/(loss)	77,750	800
Disposals of Level 1	(102,750)	(2,800)
Balance as at 30 April	-	-

The following table presents the changes in Level 3 instruments for the period ended:

	2018 £	2017 £
Balance as at 1 May	25,000	25,000
Transfer from Level 3 to Level 1	(25,000)	-
Balance as at 30 April	-	25,000

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 EU endorsed IFRSs. 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. Impairment of investment property

The Group makes an estimate of the recoverable value of investment property. When assessing impairment of investment properties, management considers factors including the condition of the property and expected rent yield. As asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount. See note 7 for the net carrying amount of the investment property.

3. **Expenses by Nature**

	2018 £	2017 £

Directors' fees	128,959	32,500
Social security and other taxation	13,611	-
Establishment costs	34,149	8,581
Legal and professional fees	145,635	54,058
Listing/ regulatory costs	29,763	61,396
Travel and accommodation	4,993	2,207
Share option charge	-	7,191
Other expenses	6,000	1,537
Total Administrative Expenses	363,110	167,470

4. **Directors' Remuneration**

Company	**2018 £**	**2017 £**
Geoffrey Dart	64,584	12,500
Timothy Le Druillenec	40,000	10,000
Paul Gazzard (appointed 2 May 2017)	24,375	-
Peter Redmond (resigned 26 April 2017)	-	10,000
Total	128,959	32,500

There are no other employees of the Group.

5. **Services provided by the Company's Auditors**

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

	2018 £	**2017 £**
Fees payable to the Company's auditor and its associates for the audit of the Group and Company Financial Statements	19,500	10,000
Fees payable to the Company's auditor for tax compliance and other Services	-	1,000
Fees payable to the Company's auditor for corporate finance work in relation to the listing	-	10,000

6. **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% (2017: 19.92%). The differences are explained below:

	2018 £	2017 £
Loss for the period before taxation	(285,968)	(177,149)
Loss for the period before taxation multiplied by the standard rate of UK Corporation of 19.00% (2017: 19.92%)	(54,334)	(35,284)
Expenses not deductible for tax purposes	458	3,426
Income not taxable for tax purposes	-	(1,498)
Losses carried forward on which no deferred tax asset is recognised	53,876	33,356
	-	-

Factors Affecting the Tax Charge of Future Periods

Tax losses available to be carried forward by the Group at 30 April 2018 against future profits are estimated at £663,000 (2017 - £371,000). Tax losses available to carry forward by the Company are estimated at £641,000 (2017 - £371,000).

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.

7. Investment properties

Group	Investment property £
Cost	
As at 1 May 2017	-
Additions	197,868
As at 30 April 2018	197,868

Through its subsidiary DKE (North West) Limited, a redevelopment project was acquired on 7 September 2017 which aims to build retail space of approximately 3,200 square feet and 17 residential apartments for supported living tenants. As part of that project a 50-year lease with a supported living housing association has been agreed which expects to generate around £234,000 of income per annum which is CPI-linked.

Due to the proximity of the purchase to the YE, the Directors consider that the cost is equal to the fair value.

8. **Investment in subsidiaries**

Company	**2018 £**	**2017 £**
Shares in Group Undertaking		
As at 1 May	-	-
Additions in the year	101	-
At 30 April 2018	101	-

Details of Subsidiaries

Details of the subsidiaries at 30 April 2018 are as follows:

Name of subsidiary	Country of incorporation	Share capital held by Parent	% share capital held	Principal activities
DKE (North West Limited)	England	100	100%	Property management and development
DKE (Wavertree) Limited	England	1	100%	Property management and development

The registered office of all subsidiary undertakings is the same as the parent company.

9. **Available for sale financial assets**

	2018 £	**2017 £**
At beginning of period	25,000	27,000
Disposals	(102,750)	(2,800)
Fair value profit/(loss)	77,750	800
At End of Period	-	25,000
Less: non-current portion	-	-
Current Portion	-	25,000

As at 30 April 2018 all available for sale financial assets had been realised.

The Group previously held 2,500,000 Ordinary share of 1p each at par in Hemogenyx Pharmaceuticals Plc (formerly Silver Falcon Plc). Silver Falcon was listed on the FTSE All Share Index of the London Stock Exchange on 9 November 2015. The Group sold its entire holding in Hemogenyx Pharmaceuticals Plc for £101,954 on 26 February 2018. On disposal, the gain of £77,750 previously recognised in other comprehensive income has been reclassified to profit or loss. This has given a net gain of £76,954 recognised in profit or loss in the year.

10. **Trade and Other Receivables**

	Group 2018 £	Company 2018 £	Company 2017 £
Other receivables, including prepayments	32,847	31,847	41,793
Amounts owed by group undertakings	-	212,767	-
	32,847	244,614	41,793

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

At 30 April 2018 all receivables were fully performing, and therefore do not require impairment.

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.

DKE (Wavertree) Limited signed an option of £1,000 to acquire a property in North West England on a four month term and then a further two month extension. This is included within other receivables.

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and repayable on demand. They have been advances to the subsidiaries in order to fund the redevelopment project.

11. **Dividends**

No dividend has been declared or paid by the Company during the year ended 30 April 2018 (2017: Nil).

12. **Earnings per share**

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year. In accordance with IAS 33, basic and diluted earnings per share are identical as the effect of the exercise of the warrants would be to decrease the loss per share.

	2018 £	2017 £
Loss attributable to equity holders of the Group	285,968	177,149

Total	285,968	177,149
Weighted average number of ordinary shares in issue (thousands)	339,497	179,687

13. **Share Capital**

Group and Company

Allotted, issued and fully paid	**2018 No. (000's)**	**2017 No (000's)**
339,500,000 ordinary shares of £0.001 each	339,500	338,300

During the year, the Group issued 1,200,000 new ordinary shares in settlement of a debt of £6,000 to Walbrook PR for PR services.

14. **Share Premium**

Group and Company

	Share Premium £	**Less share issue costs £**	**Net Share Premium £**
At 1 May 2017	731,537	-	731,537
Issue of shares in settlement of adviser fees	4,800	-	4,800
At 30 April 2018	736,337	-	736,337

15. **Share Based Payments**

Details of the warrants outstanding at 30 April 2018 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:	**Various dates between 8 September 2011 and 26 October 2011**	**At 29 March 2017**	**At 29 March 2017**
Warrant life remaining (years)	4 years	2 years	2 years
Warrants granted	25,925,000	27,064,000	2,004,000

Risk free rate	2.2%	0.5%	0.5%
Expiry date	8 September 2021	29 March 2020	29 March 2020
Exercise price (£)	0.005	0.005	0.0075
Expected volatility	20%	20%	20%
Expected dividend yield	-	-	-
Marketability discount	20%	20%	20%
Total fair value of warrants granted (£)	23,308	7,125	66

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 2011 have been modified in the prior year, with their expiry date being extended until 8 September 2021. 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 2018 is shown below:

	Number	**Weighted average exercise price (£)**
As at 1 May 2017	54,993,000	0.005
Outstanding as at 30 April 2018	54,993,000	0.005
Exercisable at 30 April 2018	54,993,000	0.005

The weighted average contracted and expected life (years) for the above warrants is 3 years (2017 - 4 years).

16. Trade and Other Payables

	Group 2018 £	**Company 2018 £**	**Company 2017 £**
Accruals	25,750	18,250	26,875

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 in the previous period.

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

18. Capital Commitments

There were no capital commitments authorised by the Directors or contracted for at 30 April 2018.

19. **Related Party Transactions**

Silver Falcon Plc

As disclosed in note 9, the Group previously held 2,500,000 Ordinary shares of 1p each at par in Hemogenyx Pharmaceuticals Plc (formerly Silver Falcon Plc), all of which were sold in the year. During the year, the Group charged an amount of £1,250 (2017: 19,561) to Silver Falcon Plc in respect of office space utilised on an ad hoc basis. As at the year end, £Nil (2017: £Nil) was owed by Silver Falcon in respect of rent.

Geoffrey Dart was a director of Silver Falcon Plc at the time of the rental charge.

Argo Blockchain Plc

During the year, the Group charged an amount of £1,375 (2017: £Nil) to Argo Blockchain Plc in respect of office space utilised on an ad hoc basis. As at the year end, £Nil (2017: £Nil) was owed by Argo Blockchain Plc in respect of rent.

Timothy Le Druillenec is a director of Argo Blockchain Plc.

Briarmount Limited

During the year, and prior to the establishment of a Group payroll, the Group paid £3,333 (2017: £55,000) to Briarmount Limited in respect of consultancy services, and £Nil (2017: £1,591) in respect of accountancy fees. As at the year-end, £Nil (2017: £Nil) was owed to Briarmount Limited.

Timothy Le Druillenec is a director of Briarmount Limited.

Chesterfield Capital Limited

During the year, and prior to the establishment of a Group payroll, the Group paid £4,167 (2017: £12,500) to Chesterfield Capital Limited in respect of Director's fees. As at the year end, £Nil (2017: £Nil) was owed to Chesterfield Capital Limited.

Geoffrey Dart is a director of Chesterfield Capital Limited.

20. **Ultimate Controlling Party**

The Directors believe there to be no ultimate controlling party.

21. **Events after the reporting date**

On 11th June 2018, through its subsidiary DKE Wavertree Limited, the Company signed a 30 year CPI linked agreement-to-lease at £168,740 per annum with multi-award winning Inclusion Housing (Inclusion) and has agreed to exchange contracts with the vendor of the property subject to planning permission for additional rooms.

22. **Copies of the Annual Report**

Copies of the annual report will be available on the Company's website at www.dukemountcapitalplc.com and from the Company's registered office, Room 4, 1st Floor, 50 Jermyn Street, London, SW1Y 6LX.