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Dukemount Capital PLC
30 August 2019

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Dukemount Capital Plc

("Dukemount" or the "Company")

Final Results for the year ended 30 April 2019

Dukemount Capital Plc (LSE: DKE), the property management and long dated income provider reports its Final Results for the year ended 30 April 2019.

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

Operational Highlights

- 30-Year Agreement-to-lease signed on Wavertree project
- Planning permission granted on Wavertree project
- Forward funding and pre-sale of West Derby project agreed with institution
- Assignment of contract and forward funding agreement on Wavertree
- Wavertree building contract signed by contractor
- West Derby building contract signed by contractor

Post Year End

- £555,074 received from the two funds managed by Alpha Capita for West Derby and Wavertree
- West Derby demolition complete and under construction

Outlook

- Widened focus within the property sector with extra care, student accommodation and independent retirement living added to the long-dated income business model
- Early stage talks with Universities to develop their spare land for extra care, student accommodation and independent retirement living.
- The added focus is expected to lead to significantly larger development deals

Chairman's Statement

I hereby present the annual financial statements for the year ended 30th April 2019. During the year the Group reported a loss of £246,196 (2018 - loss of £285,968). These losses arose in the course of the Group: pursuing transactions in its chosen sector; costs associated with its first two projects; maintaining the Company's listing on the Official List of the UK Listing Authority by way of a standard listing and include: consultancy fees, professional fees and directors' fees. As at the Statement of Financial Position date the Company had £24,923 of cash balances.

In May 2019 the company received reimbursement of the initial capital outlay and ongoing costs for West Derby and Wavertree, of a total of £555,074, under the funding and forward purchase agreements with two funds managed by Alpha Real Capital. Reimbursements are subsequently being made on a monthly basis as the projects progress.

Since our last full year results, and with the existing projects successfully moving ahead, the board has been investigating expanding its long-dated income offering to institutions. As our new website shows, we are widening our focus within the property sector with the addition of extra care, student accommodation and independent retirement living. We will not be the operator of these properties, they will be leased and or managed by a third party with the appropriate expertise and experience.

This year, the company has been busy working with our consultants and several interested parties, with regards to this expanded focus on large deals, allowing us to take advantage of the funding and forward sale model that we have proven up with the first two projects.

We are in early stage talks with universities who offer nursing degrees and are seeking to develop extra care, student accommodation and retirement living on land they own, whether on campus or close to the universities.

This has the potential to free up capital for the universities as well as offering valuable practical work experience for their nursing students. These talks could potentially offer a significant uplift in the size of project that Dukemount could be working on, going forward.

During the financial year ended 30th April 2019 the board was acquiring, financing and in negotiations with institutions with regards to the West Derby full redevelopment project and the Wavertree refurbishment project.

We concluded talks with a fund managed by Alpha Real Capital to whom West Derby has been pre-sold and which they will forward-fund. Dukemount Capital Plc (Dukemount) is responsible for the management and development of the property to the exacting requirements of the housing association which has signed an agreement-to-lease with a CPI-Linked 50-year term on the property. This first project will result in a development profit to Dukemount which will be reflected in the results following completion of the re-development.

Demolition of the existing building at West Derby was completed earlier this year and construction of the new building which includes 3,200 square feet of retail space and 17 apartments is going well with completion expected in July 2020.

On Wavertree we secured an agreement-to-lease with a CPI-Linked, 30-year term, received planning permission in a relatively short period in order to maximize the amount of rooms within the property, and potentially enhanced the value of that project. We also agreed a forward funding and assignment of the contract of Wavertree to Time:Social Freehold, a fund managed by Time Investments, part of Alpha Real Capital. The preliminary construction and associated costs that have been incurred have been recovered from Time:Social Freehold and ongoing development costs are being funded against architect's certifications. A development profit will be paid upon practical completion of the conversion works, expected in December of this year, and will be reflected in the current years' results.

With the potential addition of universities, extra care, student accommodation and independent retirement living, we are looking forward to a busy year ahead.

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

Geoffrey Dart
Executive Chairman

30 August 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2019

Continuing operations	**Note**	**Group 2019 £**	**Group 2018 £**
Revenue from contracts with customers		621,875	-
Cost of sales		(559,317)	-
Gross Profit		62,558	-
Administrative expenses	3	(480,998)	(363,110)
Profit on disposal of investment property	7	172,132	-
Operating loss		(246,308)	(363,110)
Interest received		112	188
Profit/(loss) on disposal of available for sale financial asset	9	-	76,954
Loss before taxation		(246,196)	(285,968)
Income tax	6	-	-
Loss for the year attributable to equity owners		(246,196)	(285,968)

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
Reclassification of cumulative (gain)/loss on available for sale financial assets on disposal	9	-	(77,500)
Total comprehensive income for the year attributable to the equity owners		(246,196)	(285,968)
Earnings per share attributable to equity owners			
Basic and diluted (pence)	12	(0.00071)	(0.00084)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2019

	Note	**30 April 2019 £**	**30 April 2018 £**
Assets			
Non current assets			
Investment properties	7	-	197,868
Current Assets			
Trade and other receivables	10	677,137	32,847
Cash and cash equivalents		24,923	148,391
Total Assets		702,060	379,106
Equity and Liabilities			
Equity			
Share capital	13	366,166	339,500
Share premium	14	789,671	736,337
Share based payments reserve		30,499	30,499
Retained earnings		(999,176)	(752,980)

		187,160	353,356
Current Liabilities			
Trade and other payables	16	514,900	25,750
Total Equity and Liabilities		702,060	379,106

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2019

	Note	30 April 2019	30 April 2018
		£	£
Assets			
Non current assets			
Investment in Subsidiaries	8	101	101
Current Assets			
Trade and other receivables	10	133,848	244,614
Cash and cash equivalents		15,339	148,391
Total Assets		149,288	393,106
Equity and Liabilities			
Equity			
Share capital	13	366,166	339,500
Share premium	14	789,671	736,337
Share based payments reserve		30,499	30,499
Retained earnings		(1,156,400)	(731,480)
		29,936	374,856
Current Liabilities			
Trade and other payables	16	119,352	18,250
Total Equity and Liabilities		149,288	393,106

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Share Capital £	Share premium £	Share payments	based reserve £	Retained earnings £	Total £
Balance as at 1 May 2018	339,500	736,337		30,499	(752,980)	353,356
Loss for the year	-	-		-	(246,196)	(246,196)
Other comprehensive Income	-	-		-	-	-
Total comprehensive income for the year	-	-		-	(246,196)	(246,196)
Transactions with equity owners						
Issue of ordinary shares	26,666	53,334		-	-	80,000
Total transactions with owners	26,666	53,334		-	-	80,000
Balance as at 30 April 2019	366,166	789,671		30,499	(999,176)	187,160

	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 FOR THE YEAR ENDED 30 APRIL 2019

	Share Capital	Share premium	Share payments	based reserve	Retained earnings	Total
	£	£		£	£	£
Balance as at 1 May 2018	339,500	736,337		30,499	(731,480)	374,856
Loss for the year	-	-		-	(424,920)	(424,920)
Other comprehensive Income	-	-		-	-	-
Total comprehensive income for the year	-	-		-	(424,920)	(424,920)
Transactions with equity owners						
Issue of ordinary shares	26,666	53,334		-	-	80,000
Total transactions with owners	26,666	53,334		-	-	80,000
Balance as at 30 April 2019	366,166	789,671		30,499	(1,156,400)	29,936

	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	-	-		-	(264,468)	(264,468)
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	-	-		-	(264,468)	(264,468)
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	(731,480)	374,856

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2019

	Note	2019 £	2018 £
Cash Flows from Operating Activities			
Loss before taxation		(246,196)	(285,968)
Adjustments for:			
Profit on disposal of Investment Property		(172,132)	
Profit on disposal of available for sale financial assets	9	-	(76,954)
Share based payment	15	80,000	6,000
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		(644,290)	8,946
Increase/(Decrease) in trade and other payables		489,150	(1,125)
Net Cash used in Operating Activities		(493,468)	(349,101)
Cash Flows from Investing Activities			
Proceeds from sale of investment property		370,000	-
Sale/(Purchase) of investment property	7	-	(197,868)
Proceeds from sale of available for sale financial assets	9	-	101,954
Net Cash generated from/used in Investing Activities		370,000	(95,914)
Net Decrease in Cash and Cash Equivalents		(123,468)	(445,015)
Cash and cash equivalents at the beginning of the year		148,391	593,406
Cash and Cash Equivalents at the End of the Year		24,923	148,391

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2019

	Note	2019 £	2018 £
Cash Flows from Operating Activities			
Loss before taxation		(424,920)	(264,468)

Adjustments for:			
(Profit)/Loss on disposal of available for sale financial assets	9	-	(76,954)
Share based payment	15	80,000	6,000
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		5,664	(202,821)
Increase/(Decrease) in trade and other payables		38,854	(8,625)
Net Cash used in Operating Activities		(300,402)	(546,868)
Cash Flows from Investing Activities			
Loans granted to subsidiary undertakings		105,101	-
Loans due from subsidiary undertakings		62,249	-
Purchase of subsidiaries	8	-	(101)
Proceeds from sale of available for sale financial assets	9	-	101,954
Net Cash generated from Investing Activities		167,350	101,853
Net Decrease in Cash and Cash Equivalents		(133,052)	(445,015)
Cash and cash equivalents at the beginning of the year		148,391	593,406
Cash and Cash Equivalents at the End of the Year		15,339	148,391

NOTES TO THE ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2019

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 of Financial Statements

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.

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.

b) Basis of consolidation (continued)

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.

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..

In making their assessment of going concern, the Directors acknowledge that the Group has a very small cost base, and development of its existing projects have been pre-funded. They 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. 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 2018

During the year ended 30 April 2019, the Group adopted the following new and revised standards:

IFRS 15 'Revenue from Contracts with Customers'; effective 1 January 2018

The Group has adopted IFRS 15 for the first time during the year ended 30 April 2019 The standard sets out requirements for revenue recognition from contracts with customers. This is the first year that the group has recognised Revenue and as such there is no impact on prior accounting periods.

IFRS 9 'Financial instruments: Classification and measurement'; effective 1 January 2018

The Group has reviewed the requirements of IFRS 9. The Group's principal financial assets are trade receivables which will continue to be measured at amortised cost. However the Group has adopted the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs. This resulted in increased judgement being required in order to assess the requirement for an impairment provision due to the need to factor in forward looking information when estimating the appropriate amount of provisions. No material impairment provisions were recognised as a result of the adoption of IFRS 9 and the impact of this change was not material.

2. Summary of Significant Accounting Policies (continued)

d) Changes in accounting policies and disclosure (continued)

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 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements	2015-2017 Cycle	1 January 2019

*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.

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) Revenue

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. 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.

g) 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. During the year the investment property was disposed of.

2. Summary of Significant Accounting Policies (continued)

h) 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.

i) Financial Instruments

Financial assets

Accounting policy applied until 30 April 2018. The Group and Company has applied IFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the previous accounting policy.

From 1 May 2018 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 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.

i) Financial Instruments (continued)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 and Company classifies the following financial assets at fair value through profit or loss:

- Debt instruments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income; and
- Equity investments for which no election has been made to recognise fair value gains and losses through other comprehensive income.

The Group and Company measures all equity investments at fair value through profit or loss.

j) 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.

2. Summary of Significant Accounting Policies (continued)

k) 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.

l) 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.

2. Summary of Significant Accounting Policies (continued)

m) 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;

n) Share Capital

Ordinary shares are classified as equity.

o) 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.

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.

2. Summary of Significant Accounting Policies (continued)

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 liability of £187,160 as at 30 April 2019 (2018: net asset £353,356).

q) 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 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.

2. Summary of Significant Accounting Policies (continued)

q) Fair Value Estimation (continued)

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

	2019 £	2018 £
Balance as at 1 May	-	-
Transfer from Level 3 to Level 1	-	25,000
Fair value profit/(loss)	-	77,750
Disposals of Level 1	-	(102,750)
Balance as at 30 April	-	-

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

	2019 £	2018 £
Balance as at 1 May	-	25,000
Transfer from Level 3 to Level 1	-	(25,000)
Balance as at 30 April	-	-

r) 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.

2. Summary of Significant Accounting Policies (continued)

r) Critical Accounting Estimates and Judgements (continued)

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.

iii) Percentage completion method used for long term contracts

The Group makes an estimate of the stage of completion of a 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.

3. Expenses by Nature

	2019 £	2018 £
Directors' fees	135,833	128,959
Share based payment expense	80,000	-
Social security and other taxation	-	13,611
Establishment costs	32,507	34,149
Legal and professional fees	177,269	145,635
Listing/ regulatory costs	38,014	29,763
Travel and accommodation	7,143	4,993
Other expenses	10,232	6,000
Total Administrative Expenses	480,998	363,110

4. Directors' Remuneration

Company

	2019 £	2018 £
Geoffrey Dart	155,000	64,584
Timothy Le Druillenec (resigned 4 February 2019)	33,333	40,000
Paul Gazzard	27,500	24,375
Total	215,833	128,959

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:

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Group and Company Financial Statements	24,000	19,500

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% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Loss for the period before taxation	(246,196)	(285,968)
Loss for the period before taxation multiplied by the standard rate of UK Corporation of 19.00% (2018: 19.00%)	(46,777)	(54,334)
Expenses not deductible for tax purposes	-	458
Income not taxable for tax purposes	-	-
Losses carried forward on which no deferred tax asset is recognised	46,777	53,876
	-	-

Factors Affecting the Tax Charge of Future Periods

Tax losses available to be carried forward by the Group at 30 April 2019 against future profits are estimated at £909,000 (2018 - £663,000).

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

	Investment property
Group	**£**
Cost	
As at 1 May 2018	**197,868**
Additions	-
Disposals	(197,868)
As at 30 April 2019	**-**

The investment property was disposed of during the year. The sale generated a profit on sale of £172,132.

8. Investment in subsidiaries

Company

	2019	2018
	£	£
Shares in Group Undertaking		
As at 1 May	**101**	-
Additions in the year	-	**101**
At 30 April	**101**	101

Details of Subsidiaries

Details of the subsidiaries at 30 April 2019 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

	2019 £	2018 £
At beginning of period	-	25,000
Disposals	-	(102,750)
Fair value profit/(loss)	-	77,750
At End of Period	-	-
Less: non-current portion	-	-
Current Portion	-	-

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 gave a net gain of £76,954 recognised in profit or loss.

10. Trade and Other Receivables

	Group 2019 £	Company 2019 £	Group 2018	Company 2018 £
Other receivables, including prepayments	55,263	26,183	32,847	31,847
Amounts owed by group undertakings	-	107,665	-	212,767
Amounts recoverable on contracts	621,874	-	-	-
	677,137	133,848	32,847	244,614

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

At 30 April 2019 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.

Amounts recoverable on contracts represents sales invoices issued after 30 April 2019 in respect of work undertaken during the year ended 30 April 2019 with appropriate provision being made in accruals and deferred income for costs incurred in undertaking such work but which had not been invoiced at 30 April 2019.

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 2019 (2018: 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.

	2019 £	**2018 £**
Loss attributable to equity holders of the Group	246,196	285,968
Total	246,196	285,968
Weighted average number of ordinary shares in issue (thousands)	346,002	339,497

13. Share Capital

Group and Company

Allotted, issued and fully paid	**2019 No. (000's)**	**2018 No (000's)**
366,166,666 ordinary shares of £0.001 each	366,166	339,500

14. Share Premium

Group and Company

	Share Premium £	Less share issue costs £	Net Share Premium £
At 1 May 2018	736,337	-	736,337
Issue of shares	53,334	-	53,334
At 30 April 2019	789,671	-	789,671

15. Share Based Payments

Details of the warrants outstanding at 30 April 2019 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 2018	54,993,000	0.005
Outstanding as at 30 April 2019	54,993,000	0.005
Exercisable at 30 April 2019	54,993,000	0.005

The weighted average contracted and expected life (years) for the above warrants is 2 years (2018 - 3 years).

16. Trade and Other Payables

	Group 2019 £	**Company 2019 £**	**Group 2018 £**	**Company 2018 £**
Trade payables	171,548	36,553	-	-
Amounts due to group companies	-	62,249	-	-
Accruals	20,550	20,550	25,750	18,250
Accrued costs	322,802	-	-	-
	514,900	119,352	25,750	18,250

Accrued costs represents costs of work undertaken at 30 April 2019.

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 2019.

19. Related Party Transactions

Silver Falcon Plc
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 2018. The Group charged an amount of £nil (2018: £1,250) 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 £3,300 (2018: £1,375) to Argo Blockchain Plc in respect of office space utilised on an ad hoc basis. As at the year end, £Nil (2018: £Nil) was owed by Argo Blockchain Plc in respect of rent. Timothy Le Druillenec is a director of Argo Blockchain Plc.

Briarmount Limited
In 2018 prior to the establishment of a Group payroll, the Group paid £nil (2018: £3,333) to Briarmount Limited in respect of consultancy services. As at the year-end, £Nil (2018: £Nil) was owed to Briarmount Limited. Timothy Le Druillenec is a director of Briarmount Limited.

Chesterfield Capital Limited
In 2018 prior to the establishment of a Group payroll, the Group paid £nil (2018: £4,167) to Chesterfield Capital Limited in respect of Director's fees. As at the year end, £Nil (2018: £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 period

There are no subsequent events.

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.