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Dukemount Capital PLC
31 January 2019

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Dukemount Capital Plc

("Dukemount" or "the Company")

Interim Results

Dukemount Capital Plc (LSE: DKE) is pleased to announce its unaudited interim results for the six months ended 31 October 2018 ("the Interim Report").

Highlights

Operational Development

- 30 Year Agreement-to-Lease signed on second property in North West England
- Planning permission granted for minor extension to second property

Post Period end

- Forward-funded and pre-sold the first project (West Derby) to a segregated mandate limited partnership managed by Alpha Real Capital.
- Agreement for forward-funding and assignment of the contract of the Wavertree property in Liverpool to Time: Social Freehold, a fund managed by Time Investments

Geoffrey Dart commented:

"Since the year end the board has been actively engaged in talks with a number of housing associations, institutions and property owners as well as pushing the current 2 projects to a conclusion. Our two projects in North West England have now reached that conclusion and we have announced that both projects have forward funding in place. The contracts for both projects have each been assigned to income funds who are aiming to deliver secure, stable income with a level of inflation protection to their investors, adding to our acquisition fund and allowing us to investigate further projects we are being presented with.

Our unique business model allows us the flexibility to monetise our acquisitions in different ways as I hope our first two deals have shown. As the year progresses I look forward to updating shareholders on further successful outcomes which our flexible business model can deliver."

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

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Interim Management Report

I hereby present the Interim Report for the six months ended 31 October 2018. During the period the Company made a loss of £184,806 (six months to 31 October 2017: loss of £112,976) which is mainly attributable to directors' fees, professional fees relating to the company's business and the costs of being on the Official List and trading on the London Stock Exchange. As at the date of this report the Group has approximately £450,000 of cash balances.

Following its listing on the London Stock Exchange on 29 March 2017, the Group has continued to investigate various projects and has completed its first two transactions as detailed below.

The Government's continued backing of housing with funding remains positive for the industry and we expect some of the £44 billion in overall government support for housing to filter through to the supported living sector which continues to grow at a pace.

We have chosen the supported living sector because of its fast growth and having good visibility for long term Government funding due to long term cost savings for local authorities.

North West England Acquisitions

The two acquisitions, in a large City in the North West of England, that we have so far announced, are different projects with one involving demolition and re-build the other a refurbishment.

The first, West Derby, involves the demolition of a large building in a high-density residential area which will serve tenants from the supported living sector looking to live within the local community. The area has excellent transport links and many local shops within walking distance.

On 24 December 2018 the company announced that it had forward-funded and pre-sold the first project (West Derby) to a segregated mandate limited partnership managed by Alpha Real Capital. This will result in the limited partnership acquiring the building, providing the financing for the redevelopment and paying a premium to Dukemount upon practical completion. The first stage of the process resulted in a payment to Dukemount of £570,000 for the enhanced value of the site and the preliminary costs. The total funding package from Alpha for the complete development is £3 million.

The build-out timescale for this project, the costs of which will be paid to DKE monthly, is estimated to take 18 months after which the housing association will receive the keys and DKE will receive a development profit. An appropriate builder has been sourced and will be bonded for time and cost.

Prior to assigning the contract for West Derby to Alpha Real Capital, DKE had entered into a 50-year lease agreement with a supported living housing association and had finalised plans with our architect for a new building which will include retail space of approximately 3,200 square feet and 17 residential apartments. Architect plans can be viewed at www.dukemountcapitalplc.com/media.php

For the second project, on 31 January 2019 the Company announced that it had, through its subsidiary DKE (Wavertree) Ltd, agreed a forward funding and assignment of the contract of the Wavertree property in Liverpool to Time: Social Freehold, a fund managed by Time Investments. The preliminary construction and associated costs have been recovered from Time: Social Freehold and ongoing development costs will be funded by monthly payments to DKE which is managing the redevelopment to the requirements of the housing association. A development profit is paid to DKE upon practical completion of the conversion works.

The second project consists of a large building which was previously used for high occupancy living. This project will have a shorter timeline to completion as it only involves the refurbishment of the interior and landscaping and we expect an eight-month timeline.

Prior to DKE assigning the contract for Wavertree to Time: Social Freehold, DKE had entered into a 30-year agreement-to-lease with a supported living housing association and had requested, and received, planning permission for a minor extension to the building to accommodate additional rooms. Architect plans can be viewed at www.dukemountcapitalplc.com/media.php

Outlook

The pipeline for the coming months and 2019 as a whole, is very promising and the board is actively investigating a number of acquisition targets. We have received numerous expressions of interest from both housing associations and institutions to work with us and are regularly presented with potential property acquisitions.

In the last year we have fine tuned our roadmap for future acquisitions and fully expect, barring unforeseen complications which can arise in the property sector, efficient conversion of acquisitions from start-of-process to profitable conclusion.

I would like to take the opportunity to thank our shareholders for their support and also my fellow directors for their continuing efforts in driving this business forward.

Geoffrey Dart
On behalf of the Board

31 January 2019

Responsibility Statement

We confirm that to the best of our knowledge:

- the Interim Report has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as adopted by the EU;

- gives a true and fair view of the assets, liabilities, financial position and loss of the Group;

- the Interim Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

- the Interim Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The Interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Geoffrey Dart
Executive Chairman

31 January 2019

Consolidated Statement of Comprehensive Income
For the half year ended 31 October 2018

	Note	Group Unaudited 6 months ended 31 Oct 2018 £	Group Unaudited 6 months ended 31 Oct 2017 £	Group Audited Year ended 30 April 2018 £
Total administrative expenses and loss from operations		(184,806)	(153,476)	(363,110)
Interest received		-	-	188

Profit on disposal of available for sale financial investment		-	-	76,954
Loss before taxation		**(184,806)**	**(153,476)**	**(285,968)**
Tax		-	-	-
Loss for the financial period		**(184,806)**	**(153,476)**	**(285,968)**
Other comprehensive income				
Unrealised gain on available for sale financial investment		-	40,500	77,500
Reclassification of cumulative loss on available for sale financial asset on disposal		-	-	(77,500)
Total comprehensive (loss) attributable to the equity holders of the parent		**(184,806)**	**(112,976)**	**(285,968)**
Earnings per share				
- Basic and diluted	**4**	**(0.054)**	**(0.033)**	**(0.084)**

Consolidated Statement of Financial Position
At 31 October 2018

	Note	Group Unaudited 31 Oct 2018 £	Group Unaudited 31 Oct 2017 £	Group Audited 30 April 2018 £
ASSETS				
Current assets				
Investment property	**5**	225,187	200,743	197,868
Available for sale financial assets		-	65,500	-
Trade and other receivables	**6**	47,031	33,807	32,847
Cash and cash equivalents		4,982	234,198	148,391
Total Current assets		**277,200**	**534,248**	**379,106**
Total assets		**277,200**	**534,248**	**379,106**
LIABILITIES				
Current liabilities				
Trade and other payables	**7**	108,650	7,900	25,750

Total Current liabilities	**108,650**	**7,900**	**25,750**
Total liabilities	**108,650**	**7,900**	**25,750**
NET ASSETS	**168,550**	**526,348**	**353,356**
Capital and reserve attributable to the equity holders of the Parent			
Share capital	339,500	339,500	339,500
Share premium	736,337	736,337	736,337
Share based payments reserve	30,499	30,499	30,499
Retained earnings	(937,786)	(579,988)	(752,980)
TOTAL EQUITY	**168,550**	**526,348**	**353,356**

Consolidated Statement of Changes in Equity

For the half year ended 31 October 2018

	Share capital	Share premium	Share based payment reserve	Retained losses	Total shareholders' equity
	£	£	£	£	£
Balance at 1 May 2017	**338,300**	**731,537**	**30,499**	**(467,012)**	**633,324**
Loss for the period	-	-	-	(153,476)	(153,476)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	40,500	40,500
Total comprehensive income for the year	**-**	**-**	**-**	**(112,976)**	**(112,976)**
Issue of ordinary shares	1,200	4,800	-	-	6,000
Issue costs	-		-	-	
Share based payments	-	-	-	-	-
Total transactions with owners	**1,200**	**4,800**	**-**	**-**	**6,000**
Balance at 31 October 2017	**339,500**	**736,337**	**30,499**	**(579,988)**	**526,348**
Balance as at 1 May 2018	**339,500**	**736,337**	**30,499**	**(752,980)**	**353,356**

Loss for the period	-	-	-	(184,806)	(184,806)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(184,806)**	**(184,806)**
Issue of ordinary shares	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance at 31 October 2018	**339,500**	**736,337**	**30,499**	**(937,786)**	**168,550**

Consolidated Statement of Cashflows
For the half year ended 31 October 2018

	Group Unaudited 6 months ended 31 Oct 2018	Group Unaudited 6 months ended 31 Oct 2017	Group Audited Year ended 30 April 2018
	£	£	£
Operating activities			
Loss before taxation	(184,806)	(153,476)	(285,968)
Profit on disposal of available for sale financial asset	-	-	(76,954)
Share based payments	-	-	6,000
Decrease / (increase) in trade and other receivables	(14,184)	7,986	8,946
(Decrease) / increase in trade and other payables	82,900	(18,975)	(1,125)
Net cash used in operating activities	**(116,090)**	**(164,465)**	**(349,101)**
Investing activities			
Proceeds from sale of available for sale financial assets	-	-	101,954
Purchase of investment property	-	(200,743)	(197,868)
Additions to investment property	(27,319)	-	-
Net cash used in investing activities	**(27,319)**	**(200,743)**	**(95,914)**
Cash Flows from Financing Activities			
Proceeds from issue of shares, net of issue costs	-	6,000	-

Net Cash generated from Financing Activities	**-**	**6,000**	**-**
Decrease in cash and cash equivalents in period/ year	(143,409)	(359,208)	(445,015)
Cash and cash equivalents at beginning of period / year	148,391	593,406	593,406
Cash and cash equivalents at end of period / year	**4,982**	**234,198**	**148,391**

Notes to the Interim Report
For the half year ending 31 October 2018

1. GENERAL INFORMATION

Dukemount Capital Plc (the "Company") is a company domiciled in England. The interim report for the six months ended 31 October 2018 comprises the results of the Company and its subsidiaries (together referred to as the "Group").

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

2. BASIS OF PREPARATION

The Interim Report, which includes the consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The Interim Report should be read in conjunction with the annual financial statements for the year ended 30 April 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Interim Report for the period 1 May 2018 to 31 October 2018 is unaudited. This report has not been reviewed by the company's auditors in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. In the opinion of the Directors the interim financial statements, included in the Interim Report, for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The interim financial statements incorporate unaudited comparative figures for the interim period 1 May 2017 to 31 October 2017 and extracts from the audited financial statements for the year ended 30 April 2018.

The Interim Report, which includes the interim financial statements, set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

Statutory financial statements for the year ended 30 April 2018 were approved by the Board of Directors on 16 August 2018 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

Cyclicality

The interim results for the six months ended 31 October 2018 are not necessarily indicative of the results to be expected for the full year ending 30 April 2019. Due to the nature of the entity, the operations are not affected by seasonal variations at this stage.

Going concern

The Directors, having made appropriate enquiries consider that, in view of the funds receivable following the completion of the two forward funding agreements announced in December 2018 and January 2019 which amount to approximately £800,000, adequate resources exist for the Company and Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 31 October 2018.

Risks and uncertainties

The key risks that could affect the Group's short and medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2018 audited financial statements, a copy of which is available on the Company's website: http://www.dukemountcapitalplc.com. Following the Company's acquisition of investment property, the Group needs to ensure that its investment properties have long term leases in place with Housing Associations and that they are of sufficient interest to Institutions to whom the Company will seek to sell long-term income from the property assets. In addition, the Company is aware of the need to enhance its reserves of cash and cash equivalents.

Critical accounting estimates and judgements

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. The critical accounting estimates and judgements made are in line with those made in the audited financial statements for the year ended 30 April 2018.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied in preparing the interim financial statements are consistent with those that have been adopted in the Company's 2018 audited financial statements.

Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial year beginning 1 May 2018

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Group:

- IFRS 9 - Financial instruments (effective 1 January 2018)
- IFRS 2 (Amendments) - Share-based payments - classification and measurement
- Annual Improvements 2014-2016 Cycle

- IFRS 15 - Revenue from contracts with customers (effective 1 January 2018)
- IAS 40 (Amendments) - Transfer of investment property

The Directors believe that the adoption of these standards have not had a material impact on the financial statements other than changes to disclosures and as outlined below.

As of 1 January 2018, the Group adopted IFRS 9, Financial Instruments ("IFRS 9"), which replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through the profit and loss statement ("FVTPL"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the entity's business model and of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in other comprehensive income.

There is now a new expected credit losses model that replaces the incurred loss impairment model previously used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in Other Comprehensive Income/(Loss) for liabilities designated at FVTPL.

The Group has applied IFRS 9 but there have been no adjustments required following adoption. The only financial assets held are trade and other receivables to which there have been no changes to the accounting treatment and no impairment recognised. Similarly, the only financial liabilities are trade and other payables, to which no adjustment are required.

The Group has not historically generated any revenue and as such the transition to IFRS 15 is immaterial.

(*b) 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 Company and Group intend to adopt these standards, if applicable, when they become effective.

Standard		Effective date
IFRS 16	Leases	1 January 2019*
IAS 19 (Amendments)	Employee benefits	1 January 2019*
IFRIC 20	Uncertainty over income tax treatments	1 January 2019*

*Not yet endorsed by the EU.

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.

4. EARNINGS PER SHARE

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	Group Unaudited 31 Oct 2018	Group Unaudited 31 Oct 2017	Group Audited 30 April 2018
Loss for the period (£'000)	(184,806)	(112,976)	(285,968)
Weighted average number of shares - expressed in thousands	339,500	339,500	339,497
Basic earnings per share - expressed in pence	(0.054)	(0.033)	(0.084)

5. INVESTMENT PROPERTY

	Investment property
Cost	
Opening cost at 1 May 2018	197,868
Additions	27,319
Closing cost at 31 October 2018	**225,187**

The investment property is currently under construction and is valued under the cost model. Following the completion of the transaction on 24 December 2018 with payment being made to the Company of £570,000 for the enhanced value of the site and the preliminary costs it is considered that no impairment is required.

6. TRADE AND OTHER RECEIVABLES

	Group Unaudited 31 Oct 2018	Group Unaudited 31 Oct 2017	Group Audited 30 April 2018
Trade and other receivables	47,031	33,807	32,847
	47,031	**33,807**	**32,847**

7. TRADE AND OTHER PAYABLES

	Group Unaudited 31 Oct 2018	Group Unaudited 31 Oct 2017	Group Audited 30 April 2018
Trade and other payables	108,650	7,900	25,750
	108,650	**7,900**	**25,750**

8. POST REPORTING DATE EVENTS

On 24 December 2018 the company announced that it had forward-funded and pre-sold the first project (West Derby) to a segregated mandate limited partnership managed by Alpha Real Capital. On 31 January 2019 the Company announced that it had, through its subsidiary DKE (Wavertree) Ltd, agreed a forward funding and assignment of the contract of the Wavertree property in Liverpool to Time: Social Freehold, a fund managed by Time Investments

9. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Condensed interim financial statements were approved by the Board of Directors on 31 January 2019.