

DUKEMOUNT CAPITAL PLC

REGISTERED NUMBER 07611240

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2019

	Page
Company Information	2
Chairman's Statement	3
Board of Directors	4
Strategic Report	5
Report of the Directors	8
Directors' Remuneration Report	12
Report of the Independent Auditor	16
Consolidated Statement of Comprehensive Income	20
Consolidated Statement of Financial Position	21
Company Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Company Statement of Changes in Equity	24
Consolidated Statement of Cash Flows	25
Company Statement of Cash Flows	26
Notes to the Financial Statements	27

Directors	Geoffrey Dart Paul Gazzard
Secretary	Stuart Adam
Registered Office	Room 4, 1 st Floor 50 Jermyn Street London SW1Y 6LX
Solicitors	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Registered Number	07611240

I hereby present the annual financial statements for the year ended 30 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 Group had £24,923 of cash balances.

In May 2019 the Group received reimbursement of the initial capital outlay and ongoing costs for West Derby and Wavertree totalling £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 Group 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 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 30 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

Geoffrey Gilbert Dart - Executive Chairman

Geoffrey is a merchant banker with over 35 years of experience of fund raising and listing transactions. In 1990 he was appointed to the board of Harrell Hospitality Inc, a hotel management and development company, after he structured and completed its reverse takeover by a US-listed shell company. In 2003, as chairman of Energy Technique Plc (a UK standard listed company) Geoffrey oversaw the re-structuring and re-capitalisation of the company. Also in 2003, as a Founder and an Executive Director of London and Boston Investments Plc (an AIM-listed company), Geoffrey was responsible for M&A activity. In 2010, Geoffrey joined the board of Hayward Tyler Limited, the specialist pump manufacturer and after raising equity and debt funding, completed the standard listing of the company and thereafter took on particular responsibility for the group's Chinese operations and completed a successful re-structuring of those operations.

Paul Gazzard

Paul has over 10 years' experience of working across investing institutions in the City of London in his previous role as Fund Manager. He worked with the Panmure Gordon Asset Management team until August 2002 when he transitioned into the commercial financing sector. Between August 2002 and May 2010, Paul participated in the listing of companies on the AIM market of the London Stock Exchange, operating at the Senior Executive level within each of the companies.

Since then Paul has worked as a consultant across various AIM listed companies, advising on corporate and financing related matters, in addition to working as an adviser to several high net worth individuals on specific corporate and management issues relating to their investment portfolios as well as founding a number of private companies in the financial services and other sectors.

The Directors present their Strategic Report for the year ended 30 April 2019.

Business Review and Future Developments

On 29 March 2017 Dukemount Capital Plc was admitted to the Official List of the UK Listing Authority by way of a listing on to the standard segment of the London Stock Exchange. Since the standard listing, the Group's principal aim has been to acquire, manage, develop and, where appropriate, on-sell real estate portfolios which have been CPI-linked, long-dated income leases agreed.

The following entities are consolidated into the Group financial statements:

DKE (North West) Limited, formerly Larch Housing (North West) Limited, incorporated 6 November 2014 in England, of which 100% of the £100 share capital was acquired on 7 September 2017 for £1. This company simultaneously acquired a property in North West England. In 2017, DKE (North West) Limited acquired property in Liverpool. This is a redevelopment project 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 was agreed which expects to generate around £234,000 of income per annum which is CPI-linked.

DKE (Wavertree) Limited, incorporated 24 April 2016 in England, of which 100% of the £1 share capital was acquired on 6 October 2017. This company subsequently signed an option to acquire a property in North West England and on 11 June 2018 exchanged contracts on the property. The company has signed a 30 year CPI linked agreement to lease with Inclusion Housing at a rent of £168,740 per annum.

As at the date of this report the Group continues to enhance both these projects and makes announcements to the market on these properties as appropriate.

Performance of the Business during the Year and the Position at the End of the Year

The Group reported a loss of £246,196 (2018: £285,968) for the year ended 30 April 2019. The loss was primarily as a consequence of directors' fees and professional fees in relation to the maintenance of the Company's listing, pursuing transactions and achieving its acquisition of the investment properties referred to earlier.

Net assets of the Group as at the year end were £187,160 (2018: £353,356). Cash balances as at the year end were £24,923 (2018: £148,391).

Key Performance Indicators ('KPIs')

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group at this stage of its development is the completion of transactions to acquire investments properties simultaneously with signing an agreement to lease with a Housing Association at a long term profitable rental and locating cost effective funding.

The Directors are also of the opinion that a key primary performance indicator applicable to the Group is the maintenance of cash reserves held in cash and short-term investments.

	2019	2018
Cash at bank	£24,923	£148,391
	<hr/>	<hr/>

Principal Risks and Uncertainties

The Directors consider the principal risk for the Group to be the maintenance of its cash reserves whilst it focuses on its new development projects and targets further transactions in the property sector.

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors to be of particular relevance to the Group's activities. It should be noted that the list is not exhaustive and other risk factors not presently known or currently deemed immaterial may apply. The risk factors are summarised below:

Market conditions

Market conditions, including general economic conditions and their effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Group regardless of its operating performance. The Group also faces competition from other organisations, some of which may have greater resources or be more established in a particular territory in the property sector.

In particular, the Group has to marry up properties that are suitable for supported living tenants, in areas where there is a shortfall in demand for such properties, with the best Housing Associations and Care Providers who in turn are acceptable to funders. This process is both time consuming and complex at times.

Adverse global economic conditions could limit the demand for property and lead to developments being postponed. This fall in demand could result in the business's operating results suffering in the future after any proposed transactions.

The Board considers and reviews all market conditions to try and mitigate any risks that may arise from these.

Government and Local Authority Support

In circumstances where the Group might seek to sell the long term income from the leases of Supported Living properties, the 'blue chip' nature of this income would appear considerably less attractive to funds should the financial support from the State be perceived as not readily available in the case of a failed Housing Association.

Development Costs and Timing

Failure to estimate development and refurbishment costs accurately could result in the Group not meeting forecast profitability. Delays in the completion of a project could add to increased costs and a loss of credibility for future projects.

Brexit

The effect on the Group of Article 50 being triggered and the ongoing Brexit negotiations is unknown. There may be issues raising funds from investors in the short term, however investor markets in the UK have continued to be strong and it is too early to say if there will be any direct impact. The Directors continue to monitor events and as the Directors receive more information from the Government and the EU they will assess the impact to the Group and take appropriate steps as required.

Financing and interest rate risk

The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of future transactions. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available.

For the planned development projects, it is expected that these will be funded through debt financing. The existing project will be funded through a financing agreement however no terms have been agreed at the date of this report.

Risks relating to the Group's business strategy

The Group is dependent on the ability of the Directors to identify suitable transaction opportunities and to implement the Group's strategy. There is no assurance that the Group's activities will be successful in finding a suitable transaction that will ultimately be developed.

Dependence on key personnel and management risks

The Group's business is dependent on retaining the services of a small management team and the loss of a key individual could have an adverse effect on the future of the Group's business. The Group's future success will also depend in large part upon its ability to attract and retain highly skilled personnel. This risk is managed by offering salaries that are competitive in the current market. In addition to the Board the company utilises the expertise of property professionals who have extensive experience and knowledge in their field and provide valuable assistance to the Board in locating suitable projects and negotiating contracts with Housing Associations and providers of finance.

Environmental and other regulatory requirements

The event of a breach with any environmental or regulatory requirements may give rise to reputational, financial or other sanctions against the Group, and therefore the Board considers these risks seriously and designs, maintains and reviews the policies and processes so as to mitigate or avoid these risks. Whilst the Board has a good record of compliance, there is no assurance that the Group's activities will always be compliant.

This Strategic Report was approved by the Board of Directors, on 30 August 2019.

Geoffrey Dart
Director

The Directors present the Annual Report and the audited consolidated financial statements for the year ended 30 April 2019.

The Group's Ordinary Shares were admitted to trading on the London Stock Exchange, on the Official List pursuant to chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, on 29 March 2017.

Principal Activities

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.

Directors

The Directors of the Company during the year ended 30 April 2019 were:

Geoffrey Gilbert Dart
Timothy Vincent Le Druillenec (resigned 4 February 2019)
Paul Terence Gazzard

Future developments

See the Strategic Report for anticipated future developments of the Group.

Dividends

The Directors do not propose a dividend in respect of the year ended 30 April 2019 (2018: Nil).

Corporate Governance

As a Group listed on the standard segment of the Official UK Listing Authority, the Group is not required to comply with the provisions of the UK Corporate Governance Code.

The Group does not choose to voluntarily comply with the UK Corporate Governance Code. However, in the interests of observing best practice on corporate governance, the Group has regard to the provisions of the Corporate Governance Code insofar as is appropriate, except that:

- Given the size of the Board and the Group's current size, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and Chief Executive), are not being complied with by the Group as the Board considers these provisions to be inapplicable.
- Until the Group has accumulated sufficient reserves and appointed two additional Non-Executive Directors it will not have separate audit and risk, nomination or remuneration committees. The Board as a whole will instead review audit and risk matters, as well as the Board's size, structure and composition and the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Group.
- The UK Corporate Governance Code recommends the submission of all Directors for re-election at annual intervals.
- The Board do not consider an internal audit function to be necessary for the Group at this time due to the limited number of transactions.

The Directors are responsible for internal control in the Group and for reviewing effectiveness. Due to the size of the Group, all key decisions are made by the Board. The Directors have reviewed the effectiveness of the Group's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls.

Carbon emissions

The Group currently has no trade, no employees other than the Directors and uses a rented office. Therefore the Group has minimal carbon emissions and it is not practical to obtain emissions data at this stage.

Directors and Directors' Interests

The Directors who held office during the period and to the date of approval of these Financial Statements had the following beneficial interests in the ordinary shares of the Group.

	Ordinary shares 30 April 2019 No.	Ordinary shares 30 April 2018 No.	Warrants interest 30 April 2019 No.	Warrant interest 30 April 2018 No.
Geoffrey Dart*	101,666,666	75,000,000	42,314,000	42,314,000
Timothy Le Druillenec**	4,000,000	4,000,000	-	-
Paul Gazzard	4,000,000	4,000,000	-	-

* Geoffrey Dart is a Director of Chesterfield Capital Limited which holds the 101,666,666 shares and 42,314,000 warrants. Geoffrey Dart's brother, Bryan Dart, holds warrants over 15,250,000 of the ordinary shares of the Group. Geoffrey Dart was appointed as a Director on 20 April 2011.

** Timothy Le Druillenec was appointed as a Director on 13 October 2016 and resigned on 4 February 2019.

Going Concern

The Directors, having made due and careful enquiry, are of the opinion that the Group has adequate working capital to meet its obligations over the next 12 months. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

See note 2(c) for further considerations made by the Directors in respect of going concern.

Employees

The Group has no employees other than the Directors.

Substantial Interests

As at 29 August 2019, the Directors were aware of the following shareholdings in excess of 3% of the Group's issued share capital.

	%	Number of ordinary shares
W B Nominees Limited *	21.10	77,250,000
Vidacos Nominees Limited	16.15	59,150,000
Hargreaves Lansdown Nominees Limited	14.81	54,251,948
Chesterfield Capital	7.28	26,666,666
Barclays Direct Investing Nominees Limited	4.13	15,104,638

* Chesterfield Capital Limited holds a further 75,000,000 shares in W B Nominees

Financial Risk Management

The Group has a simple capital structure and its principal financial asset is cash. The Group has no material exposure to market risk or currency risk and the Directors manage its exposure to liquidity risk by maintaining adequate cash reserves and ensuring any debt financing is at a competitive interest rate which can be maintained within the Group's cash resources going forward.

Further details regarding risks are detailed in note 2(p) to the financial statements.

Statement of Directors' responsibilities pursuant to the disclosure and transparency rules

The Directors are responsible for preparing the Annual Report, the Remuneration Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that year.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the consolidated financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities (continued)

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent Company's position, performance, business model and strategy.

Each of the Directors, whose names and functions are listed on page 4 confirm that, to the best of their knowledge and belief:

- The Group and Parent Company financial statements prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group and Parent Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that they face.

Provision of information to auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditors

PKF Littlejohn LLP, the auditor, has indicated their willingness to continue in office as auditor. PKF Littlejohn LLP will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Approved by the Board on 30 August 2019, and signed on its behalf by:

Geoffrey Dart
Director

This remuneration report sets out the Group's policy on the remuneration of executive and non-executive Directors together with details of Directors' remuneration packages and service contracts for the financial year ended 30 April 2019.

Until several transactions have been completed and until it has accumulated sufficient reserves to justify the appointment of two additional Non-Executive directors, the Group will not have a separate remuneration committee. The Board as a whole will instead review the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Group and Directors.

The items included in this report are unaudited unless otherwise stated.

Audited information

Directors' emoluments and compensation

Set out below are the emoluments of the Directors for the year ended 30 April 2019.

Name of Director	Salary and fees £	Share based payment £	Total 2019 £	Total 2018 £	% change from 2018
Geoffrey Dart	75,000	80,000	155,000	64,584	140%
Timothy Le Druillenec*	33,333	-	33,333	40,000	-16.7%
Paul Gazzard	27,500	-	27,500	24,375	12.8%
TOTAL	135,833	80,000	215,833	128,959	

* resigned 4 February 2019

Employment Contracts and Letters of Appointment

The Directors who served during the year all have employment contracts.

The Directors who held office at 30 April 2019 and who had beneficial interests in the Ordinary Shares of the Group and details of these beneficial interests can be found in the Directors' Report.

Terms of appointment

The services of the Directors, provided under the terms of agreement with the Group, are dated as follows:

Director	Year of appointment	Number of years completed	Date of current engagement letter
Geoffrey Dart	2011	7	16 March 2017
Paul Gazzard	2017	2	29 June 2017

In accordance with the above agreements the Directors are subject to 6 months' notice periods and an annual review.

Other matters

The Group does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration. The Group has not paid out any excess retirement benefits to any Directors or past Directors.

Remuneration Policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Group;
- The Group's general aim of seeking to reward all employees fairly according to the nature of their role and their performance;
- Remuneration packages offered by similar companies within the same sector;
- The need to align the interests of shareholders as a whole with the long-term growth of the Group; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Remuneration Components

The remuneration policy of the Group is outlined below.

Future Policy Table

Element	Purpose	Policy	Operation	Opportunity and performance conditions
Executive directors				
Base salary	To award for services provided	The remuneration of Directors is based on the recommendations of the Chairman and comparison with other companies of a similar size and sector. Any Director who serves on any committee, or who devotes special attention to the business of the Group, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as the Directors may determine.	Paid monthly and will be reviewable annually.	The total value of Directors' fees that may be paid is limited by the Group's Articles of Association to £200,000 per annum.
Pension	N/A	Not awarded	N/A	N/A
Benefits	N/A	Not awarded	N/A	N/A
Annual Bonus	N/A	Annual bonuses of the Directors is based on the recommendations of the Chairman and comparison with other companies of a similar size and sector.	N/A	N/A
Share Options	N/A	As above	N/A	N/A

The company does not have any non executive Directors. If appointed in the future the Company will consider the remuneration of these Directors.

Notes to the Future Policy Table

The Directors are reimbursed all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

Consideration of shareholder views

The Board will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Group's annual policy on remuneration.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

Approved on behalf of the Board of Directors.

Geoffrey Dart
Director & Executive Chairman
30 August 2019

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

We have audited the financial statements of Dukemount Capital Plc (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 30 April 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2019 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

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

of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined materiality for the group to be £24,000, which was based on 5% of the loss for the year at the planning stage. This is considered appropriate considering the principal driving force of the business is expenditure incurred and the realisable profit on the development contract. During the audit, a few adjustments were noted, and these adjustments were tested separately. Following these adjustments the materiality of £24,000 is still within the acceptable guidelines allowed and no revision was considered necessary. Our objective in adopting this approach is to ensure that total detected and undetected audit differences do not exceed our planning materiality of £19,200 for the financial statements as a whole.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant uncertainty, estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Treatment and disclosure of investment property and forward funding agreements	
<p>The group entered into forward commitment agreements during the year and the Investment property was disposed of.</p> <p>The recognition and disclosure of these contracts is subject to significant management judgement</p>	<p>We obtained the sale and purchase agreement for the sale of the investment property to confirm the terms of disposal and reviewed the calculation of the profit on disposal. The transfer of the property title was agreed to the land registry.</p> <p>The forward commitment agreements between the group and the funder were obtained and the accounting treatment reviewed. The contracts are being recognised in line with IFRS 15 <i>Revenue from contracts with customers</i>. Our assessment included:</p> <ul style="list-style-type: none"> - Consideration of the financial performance of the contracts against budget; - Review of the estimated stage of completion in line with costs incurred and forecasts; - Confirmation that expected costs to complete were in line with the forecasts, based on the latest quantity surveyor certificate obtained during the audit; - Review of the basis of the recognition of costs to complete; and - Review of the forward commitment

	<p>agreements to ensure that the contracts were being treated correctly and confirmation that the group was not acting as an 'agent' on behalf of the fund.</p>
--	---

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board on 15 May 2019 to audit the financial statements for the year ended 30 April 2019. Our total uninterrupted period of engagement is 8 years, covering the periods ended 30 April 2012 to 30 April 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit. No non-audit services were provided to the Group during the year.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussions with the directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 August 2019

1 Westferry Circus
Canary Wharf
London E14 4HD

	Note	Group 2019 £	Group 2018 £
Continuing operations			
Revenue from contracts with customers		621,875	-
Cost of sales		(559,317)	-
		<hr/>	<hr/>
Gross Profit		62,558	-
Administrative expenses	3	(480,998)	(363,110)
Profit on disposal of investment property	7	172,132	-
		<hr/>	<hr/>
Operating loss		(246,308)	(363,110)
Interest received		112	188
Profit/(loss) on disposal of available for sale financial asset	9	-	76,954
		<hr/>	<hr/>
Loss before taxation		(246,196)	(285,968)
Income tax	6	-	-
		<hr/>	<hr/>
Loss for the year attributable to equity owners		<u>(246,196)</u>	<u>(285,968)</u>
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)
		<hr/>	<hr/>
Total comprehensive income for the year attributable to the equity owners		<u>(246,196)</u>	<u>(285,968)</u>
Earnings per share attributable to equity owners			
Basic and diluted (pence)	12	<u>(0.00071)</u>	<u>(0.00084)</u>

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

	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
		=====	=====

These Consolidated Financial Statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 30 August 2019.

Geoffrey G. Dart
Director

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

	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
		<hr/>	<hr/>
Total Assets		149,288	393,106
		<hr/> <hr/>	<hr/> <hr/>
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)
		<hr/>	<hr/>
		29,936	374,856
Current Liabilities			
Trade and other payables	16	119,352	18,250
		<hr/>	<hr/>
Total Equity and Liabilities		149,288	393,106
		<hr/> <hr/>	<hr/> <hr/>

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Parent Company for the year was £424,921 (2018: £264,468) and the total comprehensive loss for the year was £424,920 (2018: £264,468).

These Financial Statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 30 August 2019.

Geoffrey G. Dart
 Director

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

	Share Capital	Share premium	Share based payments 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 based payments 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

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

	Share Capital	Share premium	Share based payments 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 based payments 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

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

	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		<u>(493,468)</u>	<u>(349,101)</u>
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		<u>370,000</u>	<u>(95,914)</u>
Net Decrease in Cash and Cash Equivalents		<u>(123,468)</u>	<u>(445,015)</u>
Cash and cash equivalents at the beginning of the year		<u>148,391</u>	<u>593,406</u>
Cash and Cash Equivalents at the End of the Year		<u>24,923</u>	<u>148,391</u>

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

	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		<u>(300,402)</u>	<u>(546,868)</u>
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		<u>167,350</u>	<u>101,853</u>
Net Decrease in Cash and Cash Equivalents		<u>(133,052)</u>	<u>(445,015)</u>
Cash and cash equivalents at the beginning of the year		<u>148,391</u>	<u>593,406</u>
Cash and Cash Equivalents at the End of the Year		<u>15,339</u>	<u>148,391</u>

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

1. General Information

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

The Group's principal activity is 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.

2. Summary of Significant Accounting Policies (continued)**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.

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.

2. Summary of Significant Accounting Policies (continued)**i) Financial Instruments (continued)**

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)
	<hr/>	<hr/>
Balance as at 30 April	-	-
	<hr/> <hr/>	<hr/> <hr/>

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)
	<hr/>	<hr/>
Balance as at 30 April	-	-
	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>
Total Administrative Expenses	480,998	363,110
	<hr/> <hr/>	<hr/> <hr/>

4. Directors' Remuneration**Company**

	2019	2018
	£	£
Geoffrey Dart	155,000	64,584
Timothy Le Druillenec	33,333	40,000
Paul Gazzard	27,500	24,375
	<hr/>	<hr/>
Total	215,833	128,959
	<hr/> <hr/>	<hr/> <hr/>

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 for the audit of the Group and Company Financial Statements	24,000	19,500
	<u> </u>	<u> </u>

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)
	<u> </u>	<u> </u>
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
Losses carried forward on which no deferred tax asset is recognised	46,777	53,876
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

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

Group Cost	Investment property £
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 generating 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
	<hr/>	<hr/>
At End of Period	-	-
Less: non-current portion	-	-
	<hr/>	<hr/>
Current Portion	-	-
	<hr/> <hr/>	<hr/> <hr/>

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	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	677,137	133,848	32,847	244,614
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 advanced 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	<u>246,196</u>	<u>285,968</u>
Weighted average number of ordinary shares in issue (thousands)	346,002	339,497

13. Share Capital**Group and Company**

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

On 26,666, ordinary shares of £0.001 each were issued at £0.001 per share.

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	<u>789,671</u>	<u>-</u>	<u>789,671</u>

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	<u>54,993,000</u>	<u>0.005</u>
Exercisable at 30 April 2019	<u>54,993,000</u>	<u>0.005</u>

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	-	-	-
	<u>514,900</u>	<u>119,352</u>	<u>25,750</u>	<u>18,250</u>

Accrued costs represents the cost of property development work undertaken as 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.