

**REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 MARCH 2012
FOR
COMBE BANK HOMES (OAKHURST) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Period 17 February 2011 to 31 March 2012**

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	9
Profit and Loss Account	12

COMBE BANK HOMES (OAKHURST) LIMITED

COMPANY INFORMATION
for the Period 17 February 2011 to 31 March 2012

DIRECTOR: C Johnson

SECRETARY: C Rowe

REGISTERED OFFICE: Anney Court
Ferry Works
Summer Road
Thames Ditton
Surrey
KT7 0QJ

REGISTERED NUMBER: 07532693 (England and Wales)

**SENIOR STATUTORY
AUDITOR:** Roland Malkin

AUDITORS: Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

**REPORT OF THE DIRECTOR
for the Period 17 February 2011 to 31 March 2012**

The director presents his report with the financial statements of the company for the period 17 February 2011 to 31 March 2012.

INCORPORATION

The company was incorporated on 16 February 2011 and commenced trading on 13 January 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of developers of residential property.

REVIEW OF BUSINESS

The Company owns two assets, being the properties situated in Bank Lane, Hildenborough, near Sevenoaks, Kent and known as Oakhurst Manor and Oakhurst Lodge respectively. Oakhurst Manor was the site of a former nursing home and is being developed by the Company with the construction of twelve in number, two and three storey houses in accordance with the planning permission granted therefor.

Oakhurst Lodge is a detached property let out on an Assured Shorthold tenancy agreement which will be refurbished and sold off simultaneously with completion and sale of the twelve new units being constructed on the Oakhurst Manor site adjoining.

Work on the Oakhurst Manor site, to be known as Oakhurst Park Gardens, is well under way and it is anticipated that completion of the build work will occur in March 2013. The build work is being undertaken by a reputable local contractor under a JCT Fixed Price Contract arrangement. The Company anticipates marketing the properties for sale during the financial year ended 31st March 2014.

Funding for the development is being provided at a fixed interest rate of 3.75% p.a. over three months libor.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2012.

DIRECTOR

C Johnson held office during the whole of the period from 17 February 2011 to the date of this report.

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTOR
for the Period 17 February 2011 to 31 March 2012

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Crowe Clark Whitehill LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
C Johnson - Director

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
COMBE BANK HOMES (OAKHURST) LIMITED**

We have audited the financial statements of Combe Bank Homes (Oakhurst) Limited for the period ended 31 March 2012 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Roland Malkin (Senior Statutory Auditor)
Crowe Clark Whitehill LLP Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date:

PROFIT AND LOSS ACCOUNT
for the Period 17 February 2011 to 31 March 2012

	Notes	£
TURNOVER		-
Administrative expenses		<u>130</u>
		(130)
Other operating income		<u>900</u>
OPERATING PROFIT	3	<u>770</u>
Interest receivable and similar income		<u>4</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>774</u>
Tax on profit on ordinary activities	4	<u>155</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>619</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period.

BALANCE SHEET
31 March 2012

	Notes	£
CURRENT ASSETS		
Stocks	5	3,277,242
Debtors	6	8,480
Cash at bank		19,911
		<u>3,305,633</u>
CREDITORS		
Amounts falling due within one year	7	42,764
		<u>3,262,869</u>
NET CURRENT ASSETS		
		<u>3,262,869</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
		3,262,869
CREDITORS		
Amounts falling due after more than one year	8	3,262,150
		<u>719</u>
NET ASSETS		<u><u>719</u></u>
CAPITAL AND RESERVES		
Called up share capital	11	100
Profit and loss account	12	619
		<u>719</u>
SHAREHOLDERS' FUNDS	16	<u><u>719</u></u>

The financial statements were approved by the director on and were signed by:

.....

C Johnson - Director

CASH FLOW STATEMENT
for the Period 17 February 2011 to 31 March 2012

	Notes	£	£
Net cash outflow from operating activities	1		(3,242,343)
Returns on investments and servicing of finance	2		4
			<u>(3,242,339)</u>
Financing	2		3,262,250
Increase in cash in the period			<u><u>19,911</u></u>

Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		19,911	
Cash inflow from increase in debt		<u>(3,262,150)</u>	
Change in net debt resulting from cash flows			<u>(3,242,239)</u>
Movement in net debt in the period			<u>(3,242,239)</u>
Net debt at 17 February			<u>-</u>
Net debt at 31 March			<u><u>(3,242,239)</u></u>

NOTES TO THE CASH FLOW STATEMENT
for the Period 17 February 2011 to 31 March 2012

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	£
Operating profit	770
Increase in stocks	(3,277,242)
Increase in debtors	(8,480)
Increase in creditors	42,609
	<hr/>
Net cash outflow from operating activities	(3,242,343)
	<hr/> <hr/>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Returns on investments and servicing of finance	
Interest received	4
	<hr/>
Net cash inflow for returns on investments and servicing of finance	4
	<hr/> <hr/>
Financing	
New loans in year	3,262,150
Share issue	100
	<hr/>
Net cash inflow from financing	3,262,250
	<hr/> <hr/>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 17.2.11 £	Cash flow £	At 31.3.12 £
Net cash:			
Cash at bank	-	19,911	19,911
	<hr/>	<hr/>	<hr/>
	-	19,911	19,911
	<hr/>	<hr/>	<hr/>
Debt:			
Debts falling due after one year	-	(3,262,150)	(3,262,150)
	<hr/>	<hr/>	<hr/>
	-	(3,262,150)	(3,262,150)
	<hr/>	<hr/>	<hr/>
Total	-	(3,242,239)	(3,242,239)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the Period 17 February 2011 to 31 March 2012

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Standard taxation and deferred taxation

The charge for taxation is based on the profit or loss for the year and takes into account deferred taxation. Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the taxation computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

No deferred tax provision is necessary in these accounts.

2. **STAFF COSTS**

There were no staff costs for the period ended 31 March 2012.

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	£
Director's remuneration	-
	<u> </u>

4. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	155
	<u> </u>
Tax on profit on ordinary activities	155
	<u> </u>

5. **STOCKS**

	£
Work-in-progress	3,277,242
	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 17 February 2011 to 31 March 2012

6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£ 8,480
	VAT	<u>8,480</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£
	Trade creditors	1,495
	Other creditor	41,114
	Tax	155
		<u>42,764</u>
8.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	£
	Bank loans (see note 9)	1,712,000
	Other loans (see note 9)	1,550,150
		<u>3,262,150</u>
9.	LOANS	
	An analysis of the maturity of loans is given below:	
		£
	Amounts falling due between two and five years:	
	Bank loans - 2-5 years	1,712,000
	Other loans - 2-5 years	128,895
	Director's Loans	1,421,255
		<u>3,262,150</u>
10.	SECURED DEBTS	
	The following secured debts are included within creditors:	
		£
	Bank Loan	<u>1,712,000</u>
	The Bank loan is secured by way of a charge over the assets of the Company.	
11.	CALLED UP SHARE CAPITAL	
	Allotted, issued and fully paid:	
	Number:	Class:
		Nominal value:
	100	Ordinary
		1.00
		<u>£ 100</u>

100 Ordinary shares of 1.00 each were allotted and fully paid for cash at par during the period.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 17 February 2011 to 31 March 2012

12. RESERVES

	Profit and loss account £
Profit for the period	619
At 31 March 2012	<u>619</u>

13. ULTIMATE PARENT COMPANY

Trafalgar New Homes Plc, a company registered in England, is regarded by the director as being the company's ultimate parent company.

Copies of the group financial statements are available on request from the registered office address of the company as shown on the Company Information page to the accounts.

14. RELATED PARTY DISCLOSURES

Included in Other Creditors is:-

Loan of £ 1,421,255 from Mr C C Johnson.

Mr C C Johnson is a Director of both Combe Bank Homes Ltd and Combe Bank Homes (Oakhurst) Ltd.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr C C Johnson.

Mr C C Johnson is the majority shareholder of Trafalgar New Homes Plc.

Trafalgar New Homes Plc owns 100% of the issued share capital of Combe Bank Homes Ltd who own 100% of the share capital of this Company.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	619
Shares issued for cash	100
Net addition to shareholders' funds	<u>719</u>
Opening shareholders' funds	-
Closing shareholders' funds	<u>719</u>
Equity interests	<u>719</u>

PROFIT AND LOSS ACCOUNT
for the Period 17 February 2011 to 31 March 2012

	£	£
Income		-
Other income		
Rents received	900	
Deposit account interest	4	
	<u> </u>	<u>904</u>
		904
Expenditure		
Professional fees		70
		<u>834</u>
Finance costs		
Bank charges		60
		<u>774</u>
NET PROFIT		<u><u>774</u></u>