

**REPORT OF THE DIRECTOR AND  
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 31 JANUARY 2012 TO 31 MARCH 2012  
FOR  
COMBE HOMES (INVESTMENTS) LTD**

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for the Period 31 January 2012 to 31 March 2012**

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**COMBE HOMES (INVESTMENTS) LTD**  
**COMPANY INFORMATION**  
**for the Period 31 January 2012 to 31 March 2012**

**DIRECTOR:** C Johnson

**REGISTERED OFFICE:** Chequers Barn  
Chequers Hill  
Bough Beech  
Edenbridge  
Kent  
TN8 7PD

**REGISTERED NUMBER:** 07928540 (England and Wales)

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

**REPORT OF THE DIRECTOR  
for the Period 31 January 2012 to 31 March 2012**

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

**INCORPORATION**

The company was incorporated on 30 January 2012 and commenced trading on 26 March 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 a single asset being the freehold of the property known as The Square, Square Hill Road, Maidstone, Kent comprising six two bed two bath apartments and common parts, recently constructed.

All the apartments are let on Assured Shorthold Tenancies generating annual rental income of £54,000 p.a.

Funding of the property is provided at an interest rate of 2.75% p.a. over 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 31 January 2012 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.

**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.

**REPORT OF THE DIRECTOR  
for the Period 31 January 2012 to 31 March 2012**

**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: 29th August, 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COMBE HOMES (INVESTMENTS) LTD**

We have audited the financial statements of Combe Homes (Investments) Ltd for the period ended 31 March 2012 on pages five to twelve. 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)  
for and on behalf of Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Date: .....

**PROFIT AND LOSS ACCOUNT**  
**for the Period 31 January 2012 to 31 March 2012**

	Notes	£
<b>TURNOVER</b>		-
<b>OPERATING PROFIT</b>	3	-
Interest receivable and similar income		<u>2</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>2</u>
Tax on profit on ordinary activities	4	<u>-</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u><u>2</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.

COMBE HOMES (INVESTMENTS) LTD (REGISTERED NUMBER: 07928540)

BALANCE SHEET  
31 March 2012

	Notes	£
<b>CURRENT ASSETS</b>		
Stocks	5	1,172,482
Debtors	6	1,088
Cash at bank		21,468
		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,195,038</b>
<b>CREDITORS</b>		
Amounts falling due after more than one year	7	1,194,936
		<hr/>
<b>NET ASSETS</b>		<b>102</b>
		<hr/> <hr/>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	10	100
Profit and loss account	11	2
		<hr/>
<b>SHAREHOLDERS' FUNDS</b>	15	<b>102</b>
		<hr/> <hr/>

The financial statements were approved by the director on 29th August, 2012 and were signed by:

.....  
C Johnson - Director

The notes form part of these financial statements



**CASH FLOW STATEMENT**  
for the Period 31 January 2012 to 31 March 2012

	Notes	£	£
<b>Net cash outflow from operating activities</b>	1		(1,173,570)
<b>Returns on investments and servicing of finance</b>	2		2
			<u>(1,173,568)</u>
<b>Financing</b>	2		1,195,036
<b>Increase in cash in the period</b>			<u><u>21,468</u></u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		21,468	
Cash inflow from increase in debt		<u>(1,194,936)</u>	
Change in net debt resulting from cash flows			<u>(1,173,468)</u>
<b>Movement in net debt in the period</b>			<u>(1,173,468)</u>
<b>Net debt at 31 January</b>			<u>-</u>
<b>Net debt at 31 March</b>			<u><u>(1,173,468)</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
for the Period 31 January 2012 to 31 March 2012

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

	£
Increase in stocks	(1,172,482)
Increase in debtors	(1,088)
	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(1,173,570)</b>
	<hr/> <hr/>

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

	£
<b>Returns on investments and servicing of finance</b>	
Interest received	2
	<hr/>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>2</b>
	<hr/> <hr/>
 <b>Financing</b>	
New loans in year	1,194,936
Share issue	100
	<hr/>
<b>Net cash inflow from financing</b>	<b>1,195,036</b>
	<hr/> <hr/>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 31.1.12 £	Cash flow £	At 31.3.12 £
Net cash:			
Cash at bank	-	21,468	21,468
	<hr/>	<hr/>	<hr/>
	-	21,468	21,468
	<hr/>	<hr/>	<hr/>
 Debt:			
Debts falling due after one year	-	(1,194,936)	(1,194,936)
	<hr/>	<hr/>	<hr/>
	-	(1,194,936)	(1,194,936)
	<hr/>	<hr/>	<hr/>
 Total	-	(1,173,468)	(1,173,468)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS  
for the Period 31 January 2012 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 provision for deferred tax has been made.

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**

No liability to UK corporation tax arose on ordinary activities for the period.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Period 31 January 2012 to 31 March 2012**

**4. TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the period is the same as the standard rate of corporation tax in the UK.

	£
Profit on ordinary activities before tax	2
	<hr style="border-top: 1px solid black;"/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0%	-
Effects of:	
	<hr style="border-top: 1px solid black;"/>
Current tax charge	-
	<hr style="border-top: 1px solid black;"/>

**5. STOCKS**

	£
Work-in-progress	1,172,482
	<hr style="border-top: 1px solid black;"/>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Other debtor	1,088
	<hr style="border-top: 1px solid black;"/>

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	£
Bank loans (see note 8)	635,000
Other loans (see note 8)	559,936
	<hr style="border-top: 1px solid black;"/>
	1,194,936
	<hr style="border-top: 1px solid black;"/>

**8. LOANS**

An analysis of the maturity of loans is given below:

	£
Amounts falling due between two and five years:	
Bank loans - 2-5 years	635,000
Other loans - 2-5 years	29,920
Director's Loan account	530,016
	<hr style="border-top: 1px solid black;"/>
	1,194,936
	<hr style="border-top: 1px solid black;"/>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Period 31 January 2012 to 31 March 2012

9. SECURED DEBTS

The following secured debts are included within creditors:

Bank Loan	£ <u>635,000</u>
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The bank loan is secured by way of a charge over the assets of the Company.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
100	Ordinary	£1	<u>100</u>

100 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

11. RESERVES

	Profit and loss account £
Profit for the period	<u>2</u>
At 31 March 2012	<u>2</u>

12. ULTIMATE PARENT COMPANY

Trafalgar New Homes Plc, a company registered in the UK, 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 Company's registered office address as shown on the company information page to these accounts.

13. RELATED PARTY DISCLOSURES

Included in Other Creditors is:-

£ 530,016 owed to Mr C C Johnson

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

Combe Bank Homes Ltd owns 100% of the share capital of Combe Homes (Investments) Ltd.

14. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Period 31 January 2012 to 31 March 2012

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	2
Shares issued for cash	<u>100</u>
<b>Net addition to shareholders' funds</b>	<b>102</b>
Opening shareholders' funds	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u>102</u></b>
Equity interests	<u>102</u>

**PROFIT AND LOSS ACCOUNT**  
for the Period 31 January 2012 to 31 March 2012

	£	£
<b>Income</b>		-
<b>Other income</b>		
Deposit account interest		2
		<u>2</u>
<b>NET PROFIT</b>		<u><u>2</u></u>