

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012  
FOR  
TRAFALGAR NEW HOMES PLC**

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for the Year Ended 31 March 2012**

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**TRAFALGAR NEW HOMES PLC**

**COMPANY INFORMATION  
for the Year Ended 31 March 2012**

**DIRECTORS:** C Johnson  
A Johnson

**SECRETARY:** A Moore

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

**REGISTERED NUMBER:** 04340125 (England and Wales)

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

**REPORT OF THE DIRECTORS  
for the Year Ended 31 March 2012**

The directors present their report with the financial statements of the company for the year ended 31 March 2012.

**COMMENCEMENT OF TRADING**

The Company commenced trading on 11th November, 2011.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Property Developers.

**REVIEW OF BUSINESS**

The last year has seen the Group make great progress in fulfilling its aim to be a force in the house building market, in its chosen geographical area of operation which remains primarily Kent, East Sussex, Surrey and the outer London M25 ring. This has been achieved by the successful acquisition of Combe Bank Homes Ltd.

The year under review has seen an improvement in the fortunes of house building companies generally and it is no surprise that we are no exception. However, the very satisfactory results achieved are exciting and augur well for the future.

On the financial side, I am very pleased to report that our Bankers have continued their full support for the Group and its activities and remain prepared to lend on sensible terms for both land acquisition and construction cost. We have three main Bankers now lending to us to support our activities and development programme and the cost of our borrowing remains very competitive. The Johnson family will continue to support the Group in its activities, via their established loan accounts providing the necessary financial support to cover the balance of monies needed to buy land and build out sites and for overheads.

The Plus quotation of the Company's shares may, in due course, be a further source of capital funding. The Group intends to capitalise upon its funding sources to acquire and develop prime new build land sites on a favourable cost base, where opportunities arise and it is prudent so to do.

By continuing to outsource most of our activities, we are able to keep our overheads very low and thereby increase profitability accordingly. The executive management team of Chris Johnson and Alex Johnson have, between them, more than forty years experience in the house building industry, with the experience enabling them to handle 'in house' almost any eventuality that might arise and cover all aspects of land acquisition, development and sales and marketing.

We continue to be able to negotiate satisfactory building prices with our favoured contractors and, notwithstanding any increase in building prices generally (and despite delays in the planning process being experienced throughout the industry), we are confident of developing out sufficient sites to continue the Group's growth trend.

The outsourcing by the Group of construction work and professional services and the operation of a minimal head office centre, with low fixed overheads, enables the Group to scale up or down the trading activity very quickly to react to changing market conditions and opportunities.

A more detailed review of our trading is included in our consolidated accounts.

**DIVIDENDS**

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

**REPORT OF THE DIRECTORS  
for the Year Ended 31 March 2012**

**DIRECTORS**

The directors during the year under review were:

C Johnson	- appointed 11.11.11
A Johnson	- appointed 11.11.11
J Reid	- resigned 11.11.11
A Moore	- resigned 30.11.11
R McKendrew	- resigned 11.11.11

The beneficial interests of the directors holding office on 31 March 2012 in the issued share capital of the company were as follows:

	31.3.12	1.4.11 or date of appointment if later
<b>Ordinary 0.01 shares</b>		
	1,868,158	-
A Johnson	1,868	-

As at 31st March, 2012 the following shareholder held more than 3% of the share capital of the company.

Shareholder

C C Johnson 186,815,803 shares

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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 directors are 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 each director 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 DIRECTORS  
for the Year Ended 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  
TRAFALGAR NEW HOMES PLC**

We have audited the financial statements of Trafalgar New Homes PLC for the year ended 31 March 2012 on pages six to fourteen. 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 directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 loss for the year 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 Directors 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 directors' 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 Year Ended 31 March 2012

	Notes	31.3.12 £	31.3.11 £
<b>TURNOVER</b>		-	20,862
Cost of sales		-	105,375
<b>GROSS LOSS</b>		-	(84,513)
Administrative expenses		<u>41,528</u>	<u>172,392</u>
<b>OPERATING LOSS</b>	3	<b>(41,528)</b>	(256,905)
Reorganisation costs	4	<u>185,941</u>	-
		<b>(227,469)</b>	(256,905)
Interest payable and similar charges	5	-	<u>1,117</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(227,469)</b>	(258,022)
Tax on loss on ordinary activities	6	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(227,469)</u></b>	<b><u>(258,022)</u></b>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year.



**BALANCE SHEET**  
31 March 2012

	Notes	31.3.12		31.3.11	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		-		386
Investments	8		<u>2,323,524</u>		<u>-</u>
			<b>2,323,524</b>		<b>386</b>
<b>CURRENT ASSETS</b>					
Stocks	9		-	161,711	
Debtors	10		<u>12,528</u>	108,925	
Cash at bank			<u>21,245</u>	3,742	
			<b>33,773</b>	<u>274,378</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11		<u>-</u>	<u>259,724</u>	
<b>NET CURRENT ASSETS</b>			<u><b>33,773</b></u>		<u>14,654</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>2,357,297</b></u>		<u>15,040</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		<u>150,127</u>		<u>254,423</u>
<b>NET ASSETS/(LIABILITIES)</b>			<u><u><b>2,207,170</b></u></u>		<u><u>(239,383)</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		<u>2,143,752</u>		87,575
Share premium	15		<u>812,238</u>		194,393
Profit and loss account	15		<u>(748,820)</u>		<u>(521,351)</u>
<b>SHAREHOLDERS' FUNDS</b>	16		<u><u><b>2,207,170</b></u></u>		<u><u>(239,383)</u></u>

The financial statements were approved by the Board of Directors on 29th August, 2012 and were signed on its behalf by:

.....  
C Johnson - Director

.....  
A Johnson - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT**  
for the Year Ended 31 March 2012

	Notes	31.3.12 £	£	31.3.11 £	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		<b>70,339</b>		(159,618)
<b>Returns on investments and servicing of finance</b>	2		-		(1,117)
<b>Capital expenditure and financial investment</b>	2		<b>(2,323,138)</b>		-
			<b>(2,252,799)</b>		(160,735)
<b>Financing</b>	2		<b>2,056,177</b>		-
<b>Decrease in cash in the period</b>			<b>(196,622)</b>		(160,735)
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Decrease in cash in the period			<b>17,503</b>		(62)
Cash outflow/(inflow) from decrease/(increase) in debt			<b>212,120</b>		(205,436)
Change in net debt resulting from cash flows			<b>229,623</b>		(205,498)
<b>Movement in net debt in the period</b>			<b>229,623</b>		(205,498)
<b>Net debt at 1 April</b>			<b>(250,681)</b>		(45,183)
<b>Net debt at 31 March</b>			<b>(21,058)</b>		(250,681)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
for the Year Ended 31 March 2012

1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.3.12	31.3.11
	£	£
Operating loss	(41,528)	(256,905)
Decrease in stocks	161,711	-
Decrease in debtors	70,404	44,559
(Decrease)/increase in creditors	(120,248)	52,728
<b>Net cash inflow/(outflow) from operating activities</b>	<b>70,339</b>	<b>(159,618)</b>

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

	31.3.12	31.3.11
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest paid	-	(1,117)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>-</b>	<b>(1,117)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of fixed asset investments	(2,323,524)	-
Sale of tangible fixed assets	386	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(2,323,138)</b>	<b>-</b>
<b>Financing</b>		
Share issue	2,056,177	-
<b>Net cash inflow from financing</b>	<b>2,056,177</b>	<b>-</b>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.11	Cash flow	At
	£	£	31.3.12
			£
Net cash:			
Cash at bank	3,742	17,503	21,245
	<u>3,742</u>	<u>17,503</u>	<u>21,245</u>
Debt:			
Debts falling due after one year	(254,423)	212,120	(42,303)
	<u>(254,423)</u>	<u>212,120</u>	<u>(42,303)</u>
<b>Total</b>	<b>(250,681)</b>	<b>229,623</b>	<b>(21,058)</b>

The notes form part of these financial statements

**ERROR MESSAGES FROM THE CASH FLOW STATEMENT  
for the Year Ended 31 March 2012**

**\*\*CURRENT YEAR - INCREASE/DECREASE IN CASH**

COMPARE	FINAL TOTAL ON CASH FLOW STATEMENT	=	(196,622)
TO	FIGURE IN ANALYSIS OF NET DEBT	=	17,503

PLEASE CHECK YOUR POSTINGS AND CLIENT SCREEN ENTRIES  
FOR EXAMPLE -

HAVE YOU SHOWN LOANS TAKEN OUT/REPAID?  
ANY MOVEMENT ON DIRECTORS CURRENT ACCOUNTS?  
ACQUISITIONS AND DISPOSALS?  
MANAGEMENT OF LIQUID RESOURCES?

**\*\*LAST YEAR - INCREASE/DECREASE IN CASH**

COMPARE	FINAL TOTAL ON CASH FLOW STATEMENT	=	(160,735)
TO	FIGURE IN ANALYSIS OF NET DEBT	=	(62)

PLEASE CHECK YOUR POSTINGS AND CLIENT SCREEN ENTRIES  
FOR EXAMPLE -

HAVE YOU SHOWN LOANS TAKEN OUT/REPAID?  
ANY MOVEMENT ON DIRECTORS CURRENT ACCOUNTS?  
ACQUISITIONS AND DISPOSALS?  
MANAGEMENT OF LIQUID RESOURCES?

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 March 2012

1. ACCOUNTING POLICIES

**Accounting convention**

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

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

**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 in these accounts.

2. STAFF COSTS

There were no staff costs for the year ended 31 March 2012 nor for the year ended 31 March 2011.

3. OPERATING LOSS

The operating loss is stated after charging:

	<b>31.3.12</b>	31.3.11
	£	£
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

4. EXCEPTIONAL ITEMS

Following the Company's Creditors Voluntary Arrangement during the year, net costs of reorganisation were written off in the sum of £ 185,941.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2012

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.12	31.3.11
	£	£
Bank loan interest	-	1,117
	<u>          </u>	<u>          </u>

6. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the year ended 31 March 2011.

7. TANGIBLE FIXED ASSETS

	Plant and machinery £
<b>COST</b>	
At 1 April 2011	1,500
Disposals	(1,500)
	<u>          </u>
At 31 March 2012	-
	<u>          </u>
<b>DEPRECIATION</b>	
At 1 April 2011	1,114
Eliminated on disposal	(1,114)
	<u>          </u>
At 31 March 2012	-
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	-
	<u>          </u>
At 31 March 2011	386
	<u>          </u>

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
Additions	2,323,524
	<u>          </u>
At 31 March 2012	2,323,524
	<u>          </u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	2,323,524
	<u>          </u>

9. STOCKS

	31.3.12	31.3.11
	£	£
Work-in-progress	-	161,711
	<u>          </u>	<u>          </u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2012

14. CALLED UP SHARE CAPITAL - continued

Following the Company's Creditors Voluntary Arrangement during the year, new shares with a nominal value of £ 120,000 were issued at a premium of £ 400,000 in satisfaction of various net liabilities of the Company.

15. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 April 2011	(521,351)	194,393	(326,958)
Deficit for the year	(227,469)		(227,469)
Cash share issue	-	638,345	638,345
Costs	-	(20,500)	(20,500)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	<u>(748,820)</u>	<u>812,238</u>	<u>63,418</u>

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr C Johnson.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.12 £	31.3.11 £
Loss for the financial year	(227,469)	(258,022)
New share capital subscribed	2,056,177	-
Share premium - shares issued in year	638,345	-
Share premium costs	(20,500)	-
	<hr/>	<hr/>
<b>Net addition/(reduction) to shareholders' funds</b>	<b>2,446,553</b>	<b>(258,022)</b>
Opening shareholders' funds	(239,383)	18,639
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b><u>2,207,170</u></b>	<b><u>(239,383)</u></b>



TRADING AND PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 March 2012

	31.3.12		31.3.11	
	£	£	£	£
<b>Sales</b>		-		20,862
<b>Cost of sales</b>				
Purchases		-		105,375
<b>GROSS LOSS</b>		-		(84,513)
<b>Expenditure</b>				
Insurance	(11,806)		-	
Post and stationery	124		172,392	
Website	1,310		-	
Sundry expenses	3,280		-	
Consultancy fees	4,560		-	
Professional fees	35,418		-	
Auditor's Remuneration	8,611		-	
	<u>          </u>	41,497	<u>          </u>	172,392
		(41,497)		(256,905)
<b>Finance costs</b>				
Bank charges	31		-	
Bank loan interest	-		1,117	
	<u>          </u>	31	<u>          </u>	1,117
		(41,528)		(258,022)
<b>Exceptional items</b>				
Reorganisation costs		185,941		-
<b>NET LOSS</b>		<u>(227,469)</u>		<u>(258,022)</u>