

TRAFALGAR NEW HOMES PLC
("Trafalgar", the "Company" or "Group")

Interim Results
for the six months ended 30 September 2014

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its interim results for the six months ended 30 September 2014 ("the Period").

Highlights:

- Turnover for the Period rose substantially to £2,232,500 (H1 2013: £864,000) reflecting the sales of 4 of the houses at the Company's Oakhurst Park Gardens development in Hildenborough, Kent;
- Gross profit of £209,009 achieved, giving a pre-tax profit of £35,281 after overheads (H1 2013: profit £101,000);
- EPS of 0.02p (H1 2013: 0.05p); and
- Cash in bank at Period end £287,000.

Commenting on today's results, CEO, Chris Johnson said, **"The Period's modest profit was a result of increased costs of completing the Oakhurst development. However, since the Period end, two of the remaining four houses have been sold and with the final two properties now under offer we are confident all houses at the development will be disposed of during the current financial year.**

"With the problems associated with the Oakhurst development now behind us, we are able to move forward with the Company's growth strategy through land developments and land and corporate acquisitions. Construction is underway on our sites at Ticehurst, East Sussex and Borough Green, Kent and these two sites are expected to contribute to turnover for the current financial year."

Copies of the interim report will be available on the Company's website, www.trafalgar-new-homes.co.uk, shortly.

Enquiries:

Trafalgar New Homes Plc +44 (0)1732 700 000
Christopher Johnson

Allenby Capital Ltd - Nominated Adviser and Broker +44 (0)20 3328 5656
Jeremy Porter/James Reeve

Yellow Jersey PR Limited +44 (0)7747 788 221
Dominic Barretto/Anna Legge

Notes to Editors:

Trafalgar New Homes is the holding company of Combe Bank Homes, a successful residential property developer operating in the southeast of England. The founders of Combe Bank Homes have a long track record of developing new and refurbished homes, principally in Kent.

The Company's focus is on the select acquisition of land for residential property development. The Company outsources all development activities, for example the obtaining of planning permission, design and construction, and uses fixed price build contracts. This enables the Company to tightly control its development and overhead costs.

The Company focuses on the regions of Kent, Surrey, Sussex and the M25 ring south of London and targets development sites of up to 20 homes, with sales prices typically ranging from £100,000 to £750,000 per unit, although larger projects are undertaken.

For further information visit www.trafalgar-new-homes.co.uk

Interim Results for the six months ended 30 September 2014

CHIEF EXECUTIVE'S REPORT

I am pleased to present the Company's Interim Results for the six months ended 30 September 2014.

The turnover for the period rose substantially to £ 2,232,500 (H1 2013: £ 864,000) reflecting the sales of 4 of the houses on our Oakhurst Park Gardens Hildenborough, Kent (Oakhurst) development.

A gross profit of £ 209,009 was achieved giving a pre-tax profit of £ 35,281 after overheads (H1 2013: profit £ 101,000) and an EPS of 0.02p (H1 2013: 0.05p). Cash in bank was £ 287,000.

This modest profit was as a result of the costs at Oakhurst being above the budgeted figures due to the increased cost of completing the development and the substantial additional financing costs incurred, all as previously reported upon.

Since the half year end, two of the remaining 4 houses have been sold, with the final two houses under offer, so we are confident all houses will be disposed of during the current financial year.

Construction is under way on our sites at Ticehurst, East Sussex and Borough Green, Kent and these two sites are expected to contribute to turnover for the current financial year. We are currently awaiting the results of our appeal against the planning refusal received on our site in Tunbridge Wells, Kent, and are confident of the outcome. This particular site already has an extant planning consent for a 6 apartment development, but our appeal relates to our application for a revised scheme of 4 houses with an enhanced land value and an anticipated increase on development profit.

On our site at Staplehurst, Kent, on the advice of our planning consultants, we are appealing the planning refusal we received and are confident of success.

On the Sheerness, Kent site, we are in the throes of obtaining build contract prices for the six house development scheme for which we have planning permission.

We continue to consider development opportunities presented to us and have no shortage of referrals from our favoured land agents and consultants in addition to those opportunities generated by and through our own investigations. However, we are not prepared to pay unrealistically high prices sought by some land vendors, as we are determined to maintain our development margins.

In conclusion, I do believe that now the problems associated with the Oakhurst development are behind us, we can move forward in furtherance of the Company's growth strategy through land developments and land and corporate acquisitions.

C C Johnson
Chief Executive

**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2014**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	Note	2014 £'000	2013 £'000	2014 £'000
Revenue		2,233	864	3,369
Cost of sales		<u>(2,024)</u>	<u>(640)</u>	<u>(3,075)</u>
Gross profit/(loss)		209	224	294
AIM transaction costs		-	-	(251)
Administrative expenses		<u>(174)</u>	<u>(123)</u>	<u>(249)</u>
Underlying operating profit/(loss)*		35	101	(206)
Other interest receivable and similar income		-	-	1
Interest payable & similar charges		<u>-</u>	<u>-</u>	<u>(100)</u>
Profit/(loss) before taxation		35	101	(305)
Tax payable on profit on ordinary activities	4	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) after taxation for the period		35	101	(305)
Other comprehensive income		=====	=====	=====
Total comprehensive income/(loss) for the period		35	101	(305)
Profit/(loss) attributable to:				
Equity holders of the parent		35	101	(305)
		=====	=====	=====
Total comprehensive income for the period attributable to:				
Equity holders of the parent		35	101	(305)
PROFIT/(LOSS) PER ORDINARY SHARE;				
Basic/Diluted	5	0.02p	0.05p	(0.14)p
		=====	=====	=====

* Operating profit before non-recurring items, costs of acquisition and deemed cost of listing

All results in the current and preceding financial period derive from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2014

	30 September (Unaudited) 2014 £,000	30 September (Unaudited) 2013 £'000	31 March (Audited) 2014 £'000
Note			
Non-current assets			
Tangible fixed assets	<u>1</u>	<u>1</u>	<u>1</u>
	1	1	1
Current assets			
Inventory	3,528	7,021	5,070
Trade and other receivables	385	890	2,425
Cash at bank and in hand	<u>287</u>	<u>423</u>	<u>1,217</u>
	4,200	8,334	8,712
Total assets	4,201	8,335	8,713
Creditors: amounts falling due within one year			
Trade and other payables	(42)	(205)	(740)
Borrowings	<u>(586)</u>	<u>(6,376)</u>	<u>(575)</u>
Net current assets	3,573	1,754	7,398
Non-current liabilities			
Borrowings	(4,246)	(2,465)	(8,296)
Net liabilities	<u>(673)</u>	<u>(711)</u>	<u>(898)</u>
	=====	=====	=====
Capital and reserves			
Called up share capital	6 2,384	2,284	2,284 2
Share premium account	1,165	857	1,076
Reverse acquisition reserve	(2,818)	(2,818)	(2,818)
Profit & loss account	<u>(1,404)</u>	<u>(1,034)</u>	<u>(1,440)</u>
Equity – attributable to the owners of the parent	<u>(673)</u>	<u>(711)</u>	<u>(898)</u>
	=====	=====	=====

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 September 2014

	Share capital	Share premium	Reverse acquisition reserve	Retained profits /(losses)	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 April 2014	2,284	1,076	(2,818)	(1,440)	(898)
Profit for period	-	-	-	36	36
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	36	36
Issue of shares	100	100	-	-	200
Share issue costs	-	(11)	-	-	(11)
At 30 September 2014	2,384	1,165	(2,818)	(1,404)	(673)

For the purpose of preparing the consolidated financial statement of the Group, the share capital represents the nominal value of the issued share capital of 1p per share. Share premium represents the excess over nominal value of the fair value consideration received for equity shares net of expenses of the share issue.

The reverse acquisition reserve related to the reverse acquisition between Trafalgar New Homes plc and Combe Bank Homes Limited on 11 November 2011.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 September 2014

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2014 £'000	2013 £'000	2014 £'000
Cash flow from operating activities			
Operating profit/(loss)	36	101	(206)
Depreciation charges	-	-	-
Decrease in stocks	1,542	(760)	1,191
Decrease in debtors	2,040	432	(1,103)
(Decrease) in creditors	(699)	(248)	378
Other income	-	-	1
Net cash (outflow) from operating activities	<u>2,919</u>	<u>(475)</u>	<u>261</u>
	=====	=====	=====
Investing activities			
Purchase of tangible fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>(89)</u>
Taxation			
	<u>-</u>	<u>-</u>	<u>(89)</u>
Financing activities			
Issue of shares	200	280	254
Net new loans/(loan repayments) in period	(3,987)	862	901
Share issue costs	(11)	(244)	-
Amount (withdrawn) by directors	(51)	(394)	(404)
Interest paid	<u>-</u>	<u>-</u>	<u>(100)</u>
Net cash flow from financing	<u>(3,849)</u>	<u>504</u>	<u>651</u>
(Decrease)/increase in cash and cash equivalents in the year	<u>(930)</u>	<u>(29)</u>	<u>823</u>
Cash and cash equivalents at the beginning of the year	<u>1,217</u>	<u>394</u>	<u>394</u>
Cash and cash equivalents at the end of the year	<u>287</u>	<u>423</u>	<u>1,217</u>
	=====	=====	=====

NOTES TO THE FINANCIAL INFORMATION

For the period ended 30 September 2014

1. GENERAL INFORMATION

This financial information is for Trafalgar New Homes Plc (“the Company”) and its subsidiary undertakings. The Company is incorporated in England and Wales.

2. BASIS OF PREPARATION

The interim consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The interim financial information incorporates the results for the group for the six month period from 1 April 2013 to 30 September 2013. The results for the year ended 31 March 2013 have been extracted from the statutory financial statements for the Company for the year ended 31 March 2013. The interim financial information should be read in conjunction with the audited financial statements for the group for the year ended 31 March 2014.

The same accounting policies, presentation and methods of computation have been followed in these unaudited interim financial statements as those which were applied in the preparation of the group’s annual financial statements for the year ended 31 March 2014.

The interim consolidated financial information incorporates the financial statements of Trafalgar New Homes Plc and its subsidiaries.

The interim financial information for the six months ended 30 September 2014 was approved by the directors on 17 December 2014.

3. SEGMENTAL REPORTING

For the purpose of IFRS 8, the chief operating decision maker (“CODM”) takes the form of the Board of Directors. The Directors’ opinion of the business of the Group is that the principal activity of the Group was property development and there is considered to be one reportable segment, that of property development carried on in the UK. The internal and external reporting is on a consolidated basis with transactions between group companies eliminated on consolidation. Therefore the financial information of the single segment is the same as that set out in the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position and cashflows.

NOTES TO THE FINANCIAL INFORMATION
For the period ended 30 September 2014

4. TAXATION

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2014 £'000	2013 £'000	2014 £'000
Current tax	-	-	-
Tax charge/(credit)	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit on ordinary activities before tax	36	101	(305)
Based on profit for the period:			
Tax at nil (2014: 23%)	8	-	(70)
Effect of:			
Losses (not utilised)/utilised	<u>(8)</u>	<u>-</u>	<u>(70)</u>
Tax charge for the period	<u>-</u>	<u>-</u>	<u>-</u>

5. (LOSS)/PROFIT PER ORDINARY SHARE

The calculation of profit/(loss) per ordinary share is based on the following Profits/(losses) and number of shares:

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2014 £'000	2013 £'000	2014 £'000
(Loss)/profit for the period	36	101	(305)
Weighted average number of shares for basic Profit/(loss) per share	238,375,200	228,375,200	224,347,803
Weighted average number of shares for diluted Profit/(loss) per share	238,375,200	228,375,200	224,347,803
PROFIT/(LOSS) PER ORDINARY SHARE;			
Basic	0.02p	0.05p	(0.14)p
Diluted	0.02p	0.05p	(0.14)p

NOTES TO THE FINANCIAL INFORMATION
For the period ended 30 September 2014

6. SHARE CAPITAL

Authorised Share Capital	30 September 2014 Number	31 March 2014 Number
Ordinary shares of 1p each	238,375,200	228,375,200
Issued, allotted and fully paid Authorised Share Capital	30 September 2014 £'000	31 March 2014 £'000
Ordinary shares of 1p each	2,384	2,284

In June 2014, the Company issued 10,000,000 additional shares of 1p at a premium of 1p per share for a consideration of £200,000 on admission to AIM.