

Regulatory Story

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Company Trafalgar New Homes PLC
TIDM TRAF
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TRAFALGAR NEW HOMES PLC ("Trafalgar" or the "Company")

INTERIM RESULTS 30.9% increase in turnover and move into profit

Trafalgar (AIM: TRAF), the AIM quoted property developer operating in southeast England, announces profitable half year results for the six months ended 30 September 2013.

HIGHLIGHTS:

Turnover for the period rose 30.9% to £864,000 (H1 2012: £660,000) generating a profit before tax of £101,000 (H1 2012: loss £102,000) and an EPS of 0.05p (H1 2012: loss of 0.05p).

Strong financial performance in the six months has been a resultant effect of the completion of the sale of the remaining apartments at the Company's Edenbridge site.

Completion of 12-strong housing construction work at Oakhurst Park Gardens, with properties valued at £7m in aggregate, now on the market for sale. Board confident that a large proportion will sell in the short term.

Construction of four sites in Kent expected to commence in early 2014.

Company registered for government 'Help to Buy' funding scheme.

Successful listing on AIM in July raising £280,000, before expenses, through the issue of 14,000,000 new Ordinary Shares at 2p per Ordinary Share in a placing.

Commenting, Chris Johnson, CEO of Trafalgar, said: "**Today's results are particularly encouraging given historically the Company out-performs in the second half of the year. The Board is encouraged by the returning strength of the housing market and looks forward to accelerated expansion and growth as a result, believing that AIM will help attract new investors and capital when required, to further the Company's growth strategy through land and corporate acquisitions.**"

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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. Combe Bank Homes was incorporated in 2006 and was acquired by ISDX quoted Trafalgar New Homes in a reverse takeover on 11 November 2011.

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

CHIEF EXECUTIVE'S REPORT

I am pleased to present the Company's interim results for the six months ended 30 September 2013, a period that has seen continued progress throughout the Company and a successful flotation on AIM.

Turnover for the period rose 30.9% to £864,000 (H1 2012: £660,000) generating a profit before tax of £101,000 (H1 2012: loss £102,000) and an EPS of 0.05p (H1 2012: loss of 0.05p).

Strong financial performance in the six months has been a resultant effect of the completion of the sale of the remaining apartments at the Company's Edenbridge site.

At the Company's Oakhurst Park Gardens, Hildenborough site in Kent, I am pleased to report that construction has been completed and the houses are now on the market and for sale. There has been considerable interest and the Board is confident that a large proportion of the 12 homes will sell in the short term contributing to a strong second half performance. The gross development value of the properties is around £7 million in aggregate, which could show a substantial increase in turnover for the year compared to 2013 as we aim to sell all the properties before the year end. Four of the houses are under offer and interest is high with prospective purchasers seeking to take advantage of the 'Help to Buy' government funding scheme for which the Company is registered.

Going forward, prices are being obtained from contractors to build out Trafalgar's four sites at Tunbridge Wells (six apartments), Ticehurst (two houses), Sheerness (six houses) and Chatham (three houses). The Board anticipates construction of these properties to commence in early 2014 with a view for sales to positively impact the financial year ending 31 March 2015.

At the Company's Staplehurst site in Kent, which is under option, we have submitted planning application for a development of 22 homes on part of the land and this first application was unexpectedly refused. We believed we had met all the criteria for a positive decision and we will therefore appeal the refusal in accordance with the advice given to us by our planning consultants. Once planning is granted we will aim to complete the purchase of the land and commence development to contribute to the year ending 31 March 2015. The balance of the site will then be the subject of a further planning application with a view to generating profits for the 2016 financial year.

The Board is encouraged by the returning strength of the housing market in Trafalgar's niche area of operations. We continue to seek out opportunities to increase our land supply for future developments and have the continued support of our bankers and lending institutions to enable the funding of such purchases.

As announced in August, the Company moved from ISDX to AIM with a view to increase awareness and maximise returns for shareholders. The Board looks forward to accelerated expansion and growth as a result, believing that AIM will help attract new investors and capital when required, to further the Company's growth strategy through land and corporate acquisitions.

C C Johnson
Chief Executive
5 December 2013

**CONSOLIDATED UNAUDITED INTERIM RESULTS OF THE COMPANY FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2013**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		6 month period ended 20 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	Note	2013 £'000	2012 £'000	2013 £'000
Revenue		864	660	2,206
Cost of sales		<u>(640)</u>	<u>(678)</u>	<u>(1,584)</u>
Gross profit/(loss)		224	(18)	662
Administrative expenses		<u>(123)</u>	<u>(120)</u>	<u>(261)</u>
Underlying operating profit/ (loss)*		101	(138)	361
Gain on disposal of Group Company		—	—	<u>199</u>
Operating profit/(loss)		101	(138)	560
Other interest receivable and similar income		—	<u>36</u>	<u>58</u>
Profit/(loss) before taxation		101	(102)	618
Tax payable on profit on ordinary activities	4	—	—	<u>(87)</u>
Profit/(loss) after taxation for the period		<u>101</u>	<u>(102)</u>	<u>531</u>
Other comprehensive income				
Total comprehensive income for the period		<u>101</u>	(102)	531
Profit/(loss) attributable to:		101	(102)	531
Equity holders of the parent		<u>101</u>	<u>(102)</u>	<u>531</u>
Total comprehensive income for the period attributable to:				
Equity holders of the parent		101	(102)	531
PROFIT/(LOSS) PER ORDINARY SHARE;				
Basic/Diluted	5	<u>0.05p</u>	<u>(0.05)p</u>	<u>0.25p</u>

* 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 2013

	Note	30 September (Unaudited) 2013 £'000	30 September (Unaudited) 2012 £'000	31 March (Audited) 2013 £'000
Non-current assets				
Tangible fixed assets		<u>1</u>	<u>1</u>	<u>1</u>
Current assets				
Inventory		7,021	6,995	6,261
Trade and other receivables		890	84	1,322
Cash at bank and in hand		449	203	394
		8,360	7,282	7,977
Total assets		8,361	7,283	7,978
Creditors: amounts falling due within one year				
Trade and other payables		(205)	(121)	(453)
Borrowings		<u>(6,376)</u>	<u>(4,067)</u>	<u>(3,380)</u>
Net current assets		1,754	3,095	4,145
Non-current liabilities				
Borrowings		<u>(2,465)</u>	<u>(4,576)</u>	<u>(4,993)</u>
Net liabilities		(711)	<u>(1,481)</u>	(848)
Capital and reserves				
Called up share capital	6	2,173	2,144	2,144
Share premium account		857	961	961
Reverse acquisition reserve		(2,818)	(2,818)	(2,818)
Profit and loss account		<u>(1,034)</u>	<u>(1,768)</u>	<u>(1,135)</u>
Equity - attributable to the owners of the parent		(711)	<u>(1,481)</u>	(848)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 September 2013

	Share capital	Share premium	Reverse acquisition reserve	Retained profits/(losses)	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	2,144	961	(2,818)	(1,135)	(848)
Profit for year	-	-	-	101	101
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	101	101
Issue of shares	140	140	-	-	280
Share issue costs	-	(244)	-	-	(244)
At 30 September	2,173	857	(2,818)	(1,034)	(711)

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.

On 16 July 2013, the Company moved from ISDX Growth Market (formerly PLUS) to AIM with the issue of 14,000,000 1p ordinary shares for a total consideration of £280,000.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 September 2013

	6 month period ended 30 September (Unaudited) 2013 £'000	6 month period ended 30 September (Unaudited) 2012 £'000	Year ended 31 March (Audited) 2013 £'000
Cash flow from operating activities			
Operating profit/(loss)	101	(138)	560
Depreciation charges	-	-	-
(Increase) in stocks	(760)	(437)	297
Decrease in debtors	432	26	(1,013)
(Decrease) in creditors	(248)	(47)	199
Other income	-	36	58
Gain on disposal from operating activities	-	-	(199)
Net cash (outflow) from operating activities	<u>(475)</u>	<u>(560)</u>	<u>(98)</u>
Investing activities			
Purchase of tangible fixed assets	-	-	-
Net cash used in investing activities	-	-	-
Taxation	-	-	<u>(3)</u>
Financing activities			
Issue of shares	280	-	-
Net new loans/loan repayment in period	862	210	485
Share issue costs	(244)	-	-
Amount (withdrawn) by directors	<u>(394)</u>	-	<u>(543)</u>
Net cash flow from financing	<u>504</u>	<u>210</u>	<u>(58)</u>
(Decrease)/increase in cash and cash equivalents in the year	<u>(29)</u>	<u>(350)</u>	<u>159</u>
Cash and cash equivalents at the beginning of the year	<u>394</u>	<u>553</u>	<u>553</u>
Cash and cash equivalents at the end of the year	<u>423</u>	<u>203</u>	<u>394</u>

NOTES TO THE FINANCIAL INFORMATION
For the period ended 30 September 2013

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 2013.

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 2013.

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 2013 was approved by the directors on 5 December 2013.

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 cash flows.

NOTES TO THE FINANCIAL INFORMATION
For the period ended 30 September 2013

4. TAXATION

	6 month period ended 30 September (Unaudited) 2013	6 month period ended 30 September (Unaudited) 2012	Year ended 31 March (Audited) 2013
	£'000	£'000	£'000
Current tax	=	=	=
Tax charge/(credit)	=	=	=
(Loss)/profit on ordinary activities before tax	101	(102)	618
Based on profit for the period:			
Tax at nil (2013:26.0%)	-	27	(148)
Effect of:			
Losses (not utilised)/utilised	=	(27)	<u>61</u>
Tax charge for the period	=	=	<u>87</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) 2013	6 month period ended 30 September (Unaudited) 2012	Year ended 31 March (Audited) 2013
	£'000	£'000	£'000
(Loss)/profit for the period	<u>101</u>	<u>(102)</u>	<u>531</u>
Weighted average number of shares for basic Profit/(loss) per share	<u>217,292,000</u>	<u>200,396,679</u>	<u>214,375,200</u>
Weighted average number of shares for diluted Profit/(loss) per share	<u>217,292,000</u>	<u>200,396,679</u>	<u>214,375,200</u>
PROFIT/(LOSS) PER ORDINARY SHARE;			
Basic	<u>0.05p</u>	<u>(0.05)p</u>	<u>0.25p</u>
Diluted	<u>0.05p</u>	<u>(0.05)p</u>	<u>0.25p</u>

6. SHARE CAPITAL

Authorised Share Capital	30 September 2013 Number	31 March 2013 Number
Ordinary shares of 1p each	217,292,000	214,375,200
Issued, allotted and fully paid Authorised Share Capital	30 September 2013 £'000	31 March 2013 £'000
Ordinary shares of 1p each	2,173	2,144

On 16 July 2013, the Company issued 14,000,000 additional shares of 1p at a premium of 1p per share for a consideration of £280,000 on admission to AIM.

7. Copies of interim report

This interim report will be available on the Company's website at www.trafalgar-new-homes.co.uk.

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