

Regulatory Story

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Trafalgar New Homes PLC - TRAF Half Yearly Report
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TRAFALGAR NEW HOMES PLC
("Trafalgar", the "Company" or "Group")

Interim Results
for the six months ended 30 September 2015

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its interim results for the six months ended 30 September 2015 ("the Period").

Highlights:

- Turnover for the Period was £531,000 (H1 2014: £2,232,500) reflecting the sale of the final unit at the Company's Oakhurst Park Gardens development in Hildenborough, Kent;
- Gross profit of £1,000 achieved, giving a pre-tax loss of £168,000 after overheads (H1 2014: profit £35,281);
- EPS of (0.07p) (H1 2014: 0.02p); and
- Cash in bank at period end was £200,149.

Commenting on today's Results, CEO, Chris Johnson, said:-

"The loss for the period reflects the six month overhead charge, with turnover reflecting the sale of the final house on the Oakhurst Park Gardens development and repayment of the loan associated with it.

The Company has continued with its development of the two sites at Ticehurst, East Sussex and Borough Green, Kent, both of which are nearing completion and currently expected to contribute to turnover for the current financial year. In addition, construction work is under way on the site at Burnside, Tunbridge Wells (six apartments), with work about to commence on two other sites at Edenbridge, Kent (three units) and Sheerness, Kent (six units)."

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

Enquiries:

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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.

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 month period ended 30 September 2015.

Turnover for the period fell to £531,000 (H1 2014: £2,024,000) reflecting the disposal of the final house on the Oakhurst Park Gardens development.

A nominal gross profit resulted in a pre-tax loss of £168,000 after overheads (H1 2014: profit £35,281) and an EPS of (0.07p) (H1 2014: 0.02p).

Cash in bank at 30 September 2015 was £200,149.

This loss was as a result of there being little turnover and no profit for the period following the application of the overheads for the six months.

Despite the lack of turnover, the Company expanded its operation during the period continuing with the development of the two sites at Ticehurst, East Sussex and Borough Green, Kent, both of which are now nearing completion, and commenced development of six apartments on the Burnside, Tunbridge Wells site.

In addition, the Company acquired a site in Edenbridge, Kent with a planning consent for a three house development scheme in place, which is due to commence early in 2016.

The Board currently anticipates that sales of Ticehurst and Borough Green will contribute to the turnover and profitability of the Company for the year ending 31 March 2016.

For the financial year ending 31 March 2017, the Company anticipates turnover and profit from the developments of Burnside, Tunbridge Wells, Edenbridge and Sheerness, Kent together with the development of the substantial single detached dwelling at Speldhurst, near Tunbridge Wells, Kent which the Company has agreed to buy and which has planning permission.

In addition, the Company is negotiating the purchase of other sites in its chosen area of operation which if successful are planned to contribute to revenue in 2017.

On the strategic development site at Staplehurst, the Company continues to seek planning permission on the front half of the site (approximately 2.5 acres) and will be submitting a further planning application in the near future, having sought to address the reasons for the refusal of the earlier applications by the Planning Inspector on the appeal submitted by the Company. The Company is following the advice of its Planning Consultant in pursuing this course of action.

Aside from its development activities, the Company continues to look for corporate opportunities to grow the Company and will progress them if considered viable.

The Company feels it is now entering a growth phase, through land acquisition and development, whilst also considering possible corporate acquisitions.

C C Johnson
Chief Executive

**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2015**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | 6 month | 6 month | Year |
|--------------------------------------------------------------------------|-------------|------------------------------------------------------|---------------------------------------------|--------------------------------|
| | | | period ended 30 September (Unaudited) | ended 31 March (Audited) |
| | | period ended 30 September (Unaudited) | | |
| | Note | 2015 £'000 | 2014 £'000 | 2015 £'000 |
| Revenue | | 531 | 2,233 | 3,898 |
| Cost of sales | | <u>(530)</u> | <u>(2,024)</u> | <u>(4,189)</u> |
| Gross profit/(loss) | | 1 | 209 | (291) |
| Administrative expenses | | <u>(169)</u> | <u>(174)</u> | <u>(330)</u> |
| Underlying operating (loss)/profit* | | (168) | 35 | (621) |
| Other interest receivable and similar income | | - | - | 2 |
| Interest payable and similar charges | | <u>-</u> | <u>-</u> | <u>-</u> |
| (Loss)/profit before taxation | | (168) | 35 | (619) |
| Tax payable on profit on ordinary activities | 4 | <u>-</u> | <u>-</u> | <u>-</u> |
| (Loss)/profit after taxation for the period | | <u>(168)</u> | <u>35</u> | <u>(619)</u> |
| Other comprehensive income | | | | |
| Total comprehensive income/(loss) for the period | | (168) | 35 | (619) |
| (Loss)/profit attributable to: | | | | |
| Equity holders of the parent | | <u>(168)</u> | <u>35</u> | <u>(619)</u> |
| Total comprehensive income/(loss) for the period attributable to: | | | | |
| Equity holders of the parent | | (168) | 35 | (619) |
| (LOSS)/PROFIT PER ORDINARY SHARE; | | | | |
| Basic/Diluted | 5 | <u>(0.07)p</u> | <u>0.02p</u> | <u>(0.26)p</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 2015

| | 30 September (Unaudited) 2015 £'000 | 30 September (Unaudited) 2014 £'000 | 31 March (Audited) 2015 £'000 |
|----------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------|
| Non-current assets | | | |
| Tangible fixed assets | <u>1</u> 1 | <u>1</u> 1 | <u>1</u> 1 |
| Current assets | | | |
| Inventory | 2,103 | 3,528 | 1,884 |
| Trade and other receivables | 80 | 385 | 81 |
| Cash at bank and in hand | <u>197</u> | <u>287</u> | <u>491</u> |
| | 2,380 | 4,200 | 2,456 |
| Total assets | 2,381 | 4,201 | 2,457 |
| Creditors: amounts falling due within one year | | | |
| Trade and other payables | (110) | (42) | (72) |
| Borrowings | <u>(775)</u> | <u>(586)</u> | <u>(381)</u> |
| Net current assets | <u>1,496</u> | 3,573 | 2,004 |
| Non-current liabilities | | | |
| Borrowings | <u>(2,992)</u> | <u>(4,246)</u> | <u>(3,332)</u> |
| Net liabilities | <u>(1,496)</u> | <u>(673)</u> | <u>(1,328)</u> |
| Capital and reserves | | | |
| Called up share capital | 6 | 2,384 | 2,384 |
| Share premium account | 1,165 | 1,165 | 1,165 |
| Reverse acquisition reserve | (2,818) | (2,818) | (2,818) |
| Profit and loss account | <u>(2,227)</u> | <u>(1,404)</u> | <u>(2,059)</u> |
| Equity - attributable to the owners of the parent | <u>(1,496)</u> | <u>(673)</u> | <u>(1,328)</u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 September 2015

| | Share capital £'000 | Share premium £'000 | Reverse acquisition reserve £'000 | Retained profits /(losses) £'000 | Total equity £'000 |
|-------------------------------------------|---------------------------|---------------------------|--------------------------------------------|-------------------------------------------|--------------------------|
| At 1 April 2015 | 2,384 | 1,165 | (2,818) | (2,059) | (1,328) |
| Loss for period | - | - | - | (168) | (168) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (168) | (168) |
| Issue of shares | - | - | - | - | - |
| Share issue costs | - | - | - | - | - |
| At 30 September 2015 | 2,384 | 1,165 | (2,818) | (2,227) | (1,496) |

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 2015

| | 6 month period ended 30 September (Unaudited) | 6 month period ended 30 September (Unaudited) | Year ended 31 March (Audited) |
|---------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| | 2015 £'000 | 2014 £'000 | 2015 £'000 |
| Cash flow from operating activities | | | |
| Operating (loss)/profit | (168) | 36 | (621) |
| Depreciation charges | - | - | - |
| (Increase)/decrease in stocks | (219) | 1,542 | 3,186 |
| Decrease in debtors | 1 | 2,040 | 2,344 |
| Increase/(decrease) in creditors | 39 | (699) | (670) |
| Other income | - | - | 2 |
| Net cash (outflow)/inflow from operating activities | <u>(347)</u> | <u>2,919</u> | <u>4,241</u> |
| Investing activities | | | |
| Purchase of tangible fixed assets | - | - | - |
| Net cash used in investing activities | <u>-</u> | <u>-</u> | <u>-</u> |
| Taxation | | | |
| | - | - | - |
| Financing activities | | | |
| Issue of shares | - | 200 | 190 |
| Net new loans/(loan repayments) in period | 643 | (3,987) | (4,092) |
| Share issue costs | - | (11) | - |
| Amount (withdrawn) by directors | (590) | (51) | (1,065) |
| Interest paid | - | - | - |
| Net cash flow from financing | <u>53</u> | <u>(3,849)</u> | <u>(4,967)</u> |
| (Decrease) in cash and cash equivalents in the period | <u>(294)</u> | <u>(930)</u> | <u>(726)</u> |
| Cash and cash equivalents at the beginning of the year | <u>491</u> | <u>1,217</u> | <u>1,217</u> |
| Cash and cash equivalents at the end of the period | <u>197</u> | <u>287</u> | <u>491</u> |

NOTES TO THE FINANCIAL INFORMATION

For the period ended 30 September 2015

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 2015 to 30 September 2015. The results for the year ended 31 March 2015 have been extracted from the statutory financial statements for the Company for the year ended 31 March 2015. The interim financial information should be read in conjunction with the audited financial statements for the group for the year ended 31 March 2015.

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 2015 was approved by the directors on 14 December 2015.

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 2015

4. TAXATION

| | 6 month period ended 30 September (Unaudited) | 6 month period ended 30 September (Unaudited) | Year ended 31 March (Audited) |
|-------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| | 2015 £'000 | 2014 £'000 | 2015 £'000 |
| Current tax | — | — | — |
| Tax charge/(credit) | — | — | — |
| (Loss)/profit on ordinary activities before tax | (168) | 36 | (619) |
| Based on profit for the period: | | | |
| Tax at nil (2014: 23%) | - | 8 | - |
| Effect of: | | | |
| Losses (not utilised)/utilised | — | (8) | — |
| Tax charge for the period | — | — | — |

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) |
|--------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| | 2015 £'000 | 2014 £'000 | 2015 £'000 |
| (Loss)/profit for the period | <u>(168)</u> | <u>36</u> | <u>(619)</u> |
| Weighted average number of shares for basic Profit/(loss) per share | <u>236,708,533</u> | <u>238,375,200</u> | <u>236,708,533</u> |
| Weighted average number of shares for diluted Profit/(loss) per share | <u>236,708,533</u> | <u>238,375,200</u> | <u>236,708,533</u> |
| (LOSS)/PROFIT PER ORDINARY SHARE; Basic | <u>(0.07)p</u> | <u>0.02p</u> | <u>(0.26)p</u> |
| Diluted | <u>(0.07)p</u> | <u>0.02p</u> | <u>(0.26)p</u> |

NOTES TO THE FINANCIAL INFORMATION
For the period ended 30 September 2015

6. SHARE CAPITAL

Authorised Share Capital

| | 30 September 2015 Number | 31 March 2015 Number |
|---------------------------------------------------------------|-----------------------------------------|----------------------------|
| Ordinary shares of 1p each Issued, allotted and fully paid | 238,375,200 | 238,375,200 |
| Authorised Share Capital | | |
| | 30 September 2015 £'000 | 31 March 2015 £'000 |
| Ordinary shares of 1p each | 2,384 | 2,384 |

This information is provided by RNS
The company news service from the London Stock Exchange

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