

TRAFALGAR PROPERTY GROUP PLC
(formerly Trafalgar New Homes PLC)
("Trafalgar", the "Company" or "Group")

Interim Results
for the six months ended 30 September 2018

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its interim results for the six months ended 30 September 2018 (the "Period").

Key financials:

- Turnover for the Period was £1,780,000 (H1 2017: £ nil);
- Gross profit of £63,000, giving a pre-tax loss of £244,000 after overheads (H1 2017: nil, pre-tax loss: £174,000);
- EPS of (0.05p) (H1 2017: (0.07p)); and
- Cash in bank at period end was £16,178 (2017: £123,050); at 30 November 2018 cash at bank was £40,815.

Copies of the interim report will be available later today on the Company's website, www.trafalgarproperty.group

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Notes to Editors:

Trafalgar Property Group Plc is the holding company of Trafalgar New Homes Limited, a residential property developer operating in the southeast of England and Trafalgar Retirement + Limited, a property developer in the assisted living and extra care for the elderly sector. The founders 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, enabling it to tightly control its development and overhead costs.

For further information visit www.trafalgarproperty.group

CHIEF EXECUTIVE'S REPORT

I present the Company's Interim Results for the six month period to 30th September 2018. Revenue for the period was £1,780,000 and costs of sales was £1,717,000, giving a gross profit for the period of £63,000.

Administrative expenses for the period amounted to £307,000, up from £174,000 last year. The increase in expenses related to the additional costs incurred following the acquisition of Beaufort Homes Limited now known as Trafalgar Retirement + Limited (Traf +) which took place immediately prior to the 31st March 2018 year end and the funding of that Company during its development stage.

The result of the above is an operating loss for the period of £244,000.

As regards the Company's current development programme, during the period sales of the remaining two units at Edenbridge have been concluded and one of the houses at Hildenborough has been sold, leaving the remaining property available at £900,000.

At Burnside, Tunbridge Wells, a further apartment has been sold and another one is under offer, which should exchange shortly. We are confident that the remaining three units will sell prior to 31st March 2019.

The building of the executive detached house at Saxons, Speldhurst, Tunbridge Wells, has been completed and it is on the market for sale at £1.8 million. Whilst interest has been shown in this property by purchasers, no formal offers have been forthcoming as yet but it is hoped that the New Year will bring some positive news on the sale of this property.

At Sheerness, the six town houses are in the course of construction and steps are being taken to accelerate the build programme to ensure completion of the building of the project by the end of March. As these are 'first time buyer' houses and we are marketing them for sale with the benefit of Help to Buy funding, we are confident that sales will soon be achieved.

The Option has been extended on the Company's strategic site at Staplehurst, Kent to cover the period of time required to obtain planning permission for development of this site as an Assisted Living/Extra Care scheme. A formal planning application has been submitted for a consent to develop the site with 70 housing units, together with the communal 'hub' and ancillary facilities.

The Staplehurst site is an addition to the Assisted Living/Extra Care schemes currently being considered by Traf + which holds Purchase Options over properties to provide 277 units on five sites, subject to planning permission being granted. It has also agreed to purchase a further site with existing planning permission for an Assisted Living/Extra Care use for 37 units where there is the possibility of increasing the density.

Traf+ has also secured options over two properties for residential development, with ongoing negotiations to take Options to purchase a further three sites, subject to planning permission.

All the sites referred to under option are located in Surrey within the M25 corridor, the Traf + chosen area of operation, except for the Staplehurst site in Kent.

Funding for the purchase and development of both residential and extra care and assisted living developments continues to be explored and in this regard a memorandum of understanding with DIS Partners Holding Luxembourg S.a.r.l. was announced in April, where discussions and due diligence are ongoing. In addition, Trafalgar is progressing the issue of a bond, which is proposed to be traded on the NEX Exchange, to raise funds for development purposes and further details will be announced in due course.

The Company continues to receive development opportunities from its contacts, being local land consultants and agents and will take advantage of such opportunities as they present themselves and provided they are in the Company's chosen area of operation. Once the Company has generated funds from the sale of its existing properties, offers to purchase such sites will be made.

C C Johnson
Chief Executive

**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2018**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 month period ended 30 September (Unaudited) 2018 £'000	6 month period ended 30 September (Unaudited) 2017 £'000	Year ended 31 March (Audited) 2018 £'000
Revenue		1,780	-	906
Cost of sales		<u>(1,717)</u>	<u>-</u>	<u>881</u>
Gross profit		63	--	25
Administrative expenses		<u>(307)</u>	<u>(174)</u>	<u>(440)</u>
Underlying operating (loss)*		(244)	(174)	(415)
Other interest receivable and similar income		-	-	8
Interest payable and similar charges		<u>-</u>	<u>-</u>	<u>(19)</u>
(Loss) before taxation		(244)	(174)	(426)
Tax payable on profit on ordinary activities	4	<u>-</u>	<u>-</u>	<u>-</u>
(Loss) after taxation for the period		<u>(244)</u>	<u>(174)</u>	<u>(426)</u>
Other comprehensive income				
Total comprehensive (loss) for the period		(244)	(174)	(426)
(Loss) attributable to:				
Equity holders of the parent		<u>(244)</u>	<u>(174)</u>	<u>(426)</u>
Total comprehensive (loss) for the period attributable to:				
Equity holders of the parent		(244)	(174)	(426)
(LOSS) PER ORDINARY SHARE;				
Basic/Diluted	5	<u>(0.05)p</u>	<u>(0.07)p</u>	<u>(0.10)p</u>

* Operating (loss) 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 2018

	Note	30 September (Unaudited) 2018 £'000	30 September (Unaudited) 2017 £'000	31 March (Audited) 2018 £'000
Non-current assets				
Tangible fixed assets		<u>2</u>	<u>1</u>	<u>2</u>
		2	1	2
Current assets				
Inventory		6,624	6,191	7,792
Trade and other receivables		117	110	94
Cash at bank and in hand		<u>16</u>	<u>123</u>	<u>458</u>
		<u>6,757</u>	<u>6,424</u>	<u>8,344</u>
Total assets		<u><u>6,759</u></u>	<u><u>6,425</u></u>	<u><u>8,346</u></u>
EQUITIES AND LIABILITIES				
Current liabilities				
Trade and other payables		415	235	394
Borrowings		<u>1,731</u>	<u>3,542</u>	<u>3,108</u>
		2,146	3,777	3,502
Non-current liabilities				
Borrowings		<u>5,170</u>	<u>4,243</u>	<u>5,159</u>
Total liabilities		<u><u>7,316</u></u>	<u><u>8,020</u></u>	<u><u>8,661</u></u>
Equity attributable to equity holders of the company				
Called up share capital	6	2,570	2,384	2,570
Share premium account		2,510	1,165	2,510
Reverse acquisition reserve		(2,818)	(2,818)	(2,818)
Profit and loss account		<u>(2,821)</u>	<u>(2,326)</u>	<u>(2,577)</u>
Total Equity		<u><u>(559)</u></u>	<u><u>(1,595)</u></u>	<u><u>(315)</u></u>
Total Equity and Liabilities		<u><u>6,759</u></u>	<u><u>6,425</u></u>	<u><u>8,346</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 September 2018

	Share capital	Share premium	Reverse acquisition reserve	Retained profits /(losses)	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 April 2018	2,570	2,510	(2,818)	(2,577)	(315)
Loss for period	-	-	-	(244)	(244)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(244)	(244)
Issue of shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
At 30 September 2018	2,570	2,510	(2,818)	(2,821)	(559)

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 Property Group plc and Trafalgar New Homes Limited on 11 November 2011.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 September 2018

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2018 £'000	2017 £'000	2018 £'000
Cash flow from operating activities			
Operating (loss)	(244)	(174)	(426)
Depreciation charges	-	-	-
Decrease /(increase) in stocks	1,170	(793)	(517)
(Increase)/decrease in debtors	(23)	(13)	4
Increase in creditors	21	58	161
Interest paid	-	-	19
Net cash outflow/(inflow) from operating activities	<u><u>924</u></u>	<u><u>(922)</u></u>	<u><u>(759)</u></u>
Investing activities			
Purchase of tangible fixed assets	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
Financing activities			
Issue of shares	-	-	-
Net new loans/(loan repayments) in period	(1,384)	870	931
Share issue costs	-	-	-
Amount (withdrawn)/injected by directors	18	74	204
Interest paid	-	-	(19)
Net cash flow from financing	<u><u>(1,366)</u></u>	<u><u>944</u></u>	<u><u>1,116</u></u>
(Decrease)/increase in cash and cash equivalents in the period	<u><u>(442)</u></u>	<u><u>22</u></u>	<u><u>357</u></u>
Cash and cash equivalents at the beginning of the year	<u><u>458</u></u>	<u><u>101</u></u>	<u><u>101</u></u>
Cash and cash equivalents at the end of the period	<u><u>16</u></u>	<u><u>123</u></u>	<u><u>458</u></u>

NOTES TO THE FINANCIAL INFORMATION

For the period ended 30 September 2018

1. GENERAL INFORMATION

This financial information is for Trafalgar Property Group 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 2018 to 30 September 2018. The results for the year ended 31 March 2018 have been extracted from the statutory financial statements for the Company for the year ended 31 March 2018. The interim financial information should be read in conjunction with the audited financial statements for the group for the year ended 31 March 2018.

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 2018.

The interim consolidated financial information incorporates the financial statements of Trafalgar Property Group Plc and its subsidiaries.

The interim financial information for the six months ended 30 September 2018 was approved by the directors on 18th December 2018.

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 2018

4. TAXATION

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2018 £'000	2017 £'000	2018 £'000
Current tax	<u>-</u>	<u>-</u>	<u>-</u>
Tax charge/(credit)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
(Loss) on ordinary activities before tax	(244)	(174)	(426)
Based on profit for the period:			
Tax at 20%	-	-	-
Effect of:			
Losses (not utilised)/utilised	<u>-</u>	<u>-</u>	<u>-</u>
Tax charge for the period	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

5. (LOSS) PER ORDINARY SHARE

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

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year Ended 31 March (Audited)
	2018 £'000	2017 £'000	2018 £'000
(Loss) for the period	<u><u>(244)</u></u>	<u><u>(174)</u></u>	<u><u>(426)</u></u>
Weighted average number of shares for basic (loss) per share	<u><u>425,190,380</u></u>	<u><u>236,375,200</u></u>	<u><u>425,190,380</u></u>
Weighted average number of shares for diluted (loss) per share	<u><u>425,190,380</u></u>	<u><u>236,375,200</u></u>	<u><u>425,190,380</u></u>
(LOSS) PER ORDINARY SHARE;			
Basic	<u><u>(0.05)p</u></u>	<u><u>(0.07)p</u></u>	<u><u>(0.10)p</u></u>
Diluted	<u><u>(0.05)p</u></u>	<u><u>(0.07)p</u></u>	<u><u>(0.10)p</u></u>

NOTES TO THE FINANCIAL INFORMATION
For the period ended 30 September 2018

6. SHARE CAPITAL

Authorised Share Capital

	30 September 2018 Number	31 March 2018 Number
Ordinary shares of 1p each	425,190,380	425,190,380

Issued, allotted and fully paid
Authorised Share Capital

	30 September 2018 £'000	31 March 2018 £'000
Ordinary shares	2,570	2,570
Share premium	2,510	2,510