

24 December 2021

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

Interim Results
for the six months ended 30 September 2021

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its interim results for the six months ended 30 September 2021 (the "Period").

Key financials:

- Turnover for the Period was £390,139, (H1 2020: £1,311,150);
- Gross profit of £6,955, (H1 2020: gross profit £302,596), giving a loss before tax of £338,139 (H1 2020: pre-tax loss: £16,699);
- EPS of (0.35)p (H1 2020: (0.00p)); and
- Cash in bank at period end was £24,329 (H1 2020: £405,813); at 20 December 2021 cash at bank was £43,750
- James Dubois, **Non-Executive Chairman of Trafalgar**, said: "The results for the year for the six months to 30 September 2021 are disappointing. However, we have been facing a period of great difficulty in the property sector with long planning delays due to the Covid-19 pandemic and this has delayed the start of our next construction projects. Overheads have been reduced significantly whilst we await the results of our planning submissions."

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 Plc is the holding company of Trafalgar New Homes Limited and Trafalgar Retirement+ Limited, residential property developers operating in the southeast of England. The founders have a long track record of developing new and refurbished homes, principally in Kent and Surrey.

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.

TRAFALGAR PROPERTY GROUP PLC
INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021
CHIEF EXECUTIVE'S REPORT

I present the Company's Interim Results for the six month period to 30 September 2021. Revenue for the period was £390,139 and cost of sales was £383,184 giving a gross profit for the period of £6,955.

Mortgage and private loan interest was paid during the period of £62,963 with a further £25,620 of loan note equity interest being accrued in the period. The result of the above is a loss before taxation for the period of £338,139.

The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has impacted the Company's operations. In response to the COVID-19 pandemic, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to resources available to the entity, the directors have concluded that they can continue to adopt the going concern basis in preparing the financial statements.

The effects of the COVID-19 pandemic have affected our business since March 2020 as sales of completed units have been delayed by some months. Fortunately, we had completed the construction phase of these units although there have been delays in obtaining planning permission for other potential new sites. Like most businesses, we are aware of our need to conduct ourselves carefully to preserve the health of our staff and customers, and we have limited our overhead expenditure wherever possible.

During the 6 months to 30 September 2021 the Group sold one investment property following a tenant vacating and with one other leasehold investment property currently under offer following the tenant vacating in early December 2021. During the year a review for revaluation has taken place on the investment properties and a provision has been made of £ (67,000) within the Statement of

Comprehensive Income as at 30 September 2021. We are also awaiting the results of planning appeals lodged for two sites in Surrey although the planning process has been negatively impacted by the effects of the pandemic.

Paul Treadaway
Chief Executive

TRAFALGAR PROPERTY GROUP PLC
CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021
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	2021 £'000	2020 £'000	2021 £'000
Revenue	390	1,311	2,286
Cost of sales	<u>(383)</u>	<u>1,009</u>	<u>(1,964)</u>
Gross profit/(loss)	7	302	322
Administrative expenses	<u>(257)</u>	<u>(237)</u>	<u>(464)</u>
Underlying operating (loss)/profit	(250)	65	(142)
Other interest receivable and other income	29	29	27
Interest payable and similar charges	<u>(88)</u>	<u>(77)</u>	<u>(214)</u>
(Loss)/profit before taxation	(338)	17	(329)
Tax payable on profit on ordinary activities	4 <u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit after taxation for the period	<u>(338)</u>	<u>17</u>	<u>(329)</u>
Other comprehensive income			
Total comprehensive (loss)/profit for the period	(338)	17	(329)
(Loss/profit) attributable to:			
Equity holders of the parent	<u>(338)</u>	<u>17</u>	<u>(329)</u>
Total comprehensive (loss)/profit for the period attributable to:			
Equity holders of the parent	(338)	17	(329)
(LOSS)/PROFIT PER ORDINARY SHARE;			
Basic/Diluted	5 <u>(0.35)p</u>	<u>0.00p</u>	<u>(0.34)p</u>

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

TRAFALGAR PROPERTY GROUP PLC

**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September (Unaudited) 2021 £'000	30 September (Unaudited) 2020 £'000	31 March (Audited) 2021 £'000
Note			
Non-current assets			
Tangible fixed assets	1	2	1
Investment property	9 1,533	-	1,975
	1,534	1,975 1,977	1,976
Current assets			
Inventory	87	989	79
Trade and other receivables	14	50	33
Cash at bank and in hand	24	406	246
	125	1,445	358
Total assets	1,659	3,422	2,334
EQUITIES AND LIABILITIES			
Current liabilities			
Trade and other payables	470	498	479
Borrowings	-	374	-
	470	872	479
Non-current liabilities			
Borrowings	4,490	5,167	4,818
Total liabilities	4,960	6,039	5,297
Equity attributable to equity holders of the Company			
Called up share capital	6 & 7 2,727	2,727	2,727
Share premium account	3,250	3,250	3,250
Loan note equity	6 & 7 104	104	104
Reverse acquisition reserve	(2,818)	(2,818)	(2,818)
Profit and loss account	(6,564)	(5,880)	(6,226)
Total Equity	(3,301)	(2,617)	(2,963)
Total Equity and Liabilities	1,659	3,422	2,334

TRAFALGAR PROPERTY GROUP PLC

**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Loan Note equity Reserve £'000	Reverse acquisition reserve £'000	Retained profits /(losses) £'000	Total equity £'000
At 1 April 2021	2,727	3,250	104	(2,818)	(6,226)	(2,963)
(Loss)/Profit for period	-	-	-	-	(338)	(338)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(338)	(338)

period						
Issue of shares	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Loan notes issue			-			-
At 30 September 2021	<u>2,727</u>	<u>3,250</u>	<u>104</u>	<u>(2,818)</u>	<u>(6,564)</u>	<u>(3,301)</u>

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 0.1p 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.

Loan note equity further details are provided in Note 6, 7 & 8

TRAFALGAR PROPERTY GROUP PLC
CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2021 £'000	2020 £'000	2021 £'000
Cash flow from operating activities			
Operating (loss)/profit	(338)	17	(329)
Depreciation charges	-	-	1
Loss on sale of investment property	22	-	-
Fair value movements on investment property	67	-	-
Increase in stocks	(8)	224	1,134
(Increase)/decrease in debtors	19	(8)	(9)
(Decrease)/increase in creditors	(9)	(51)	(70)
Interest paid	88	69	214
Net cash inflow/(outflow) from operating activities	<u>(159)</u>	<u>251</u>	<u>941</u>
Investing activities			
Disposal of investment property & revaluation	353	-	-
Purchase of tangible fixed assets	-	(1)	(1)
Net cash used in investing activities	<u>353</u>	<u>(1)</u>	<u>(1)</u>
Taxation			
Financing activities	-	-	-
Issue of shares	-	750	683
Share issue costs	-	(67)	-
New loan borrowings	(418)	50	51
Related party loan repayment	(25)	-	(771)
Related party new loan borrowings	94	(274)	430
Repayment loan borrowings	(4)	182	(555)
Repayment other borrowings	-	(80)	(490)
Interest paid	(63)	69	(70)
Net cash flow from financing	<u>(416)</u>	<u>128</u>	<u>(722)</u>
(Decrease)/increase in cash and cash equivalents in the period	<u>(222)</u>	<u>378</u>	<u>218</u>

Cash and cash equivalents at the beginning of the year	<u>246</u>	<u>28</u>	<u>28</u>
	<u>24</u>	<u>406</u>	<u>246</u>

TRAFALGAR PROPERTY GROUP PLC
CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL INFORMATION

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 with regard to International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom (UK IFRS). The interim financial information incorporates the results for the Group for the six month period from 1 April 2021 to 30 September 2021. The results for the year ended 31 March 2021 have been extracted from the statutory financial statements for the Group for the year ended 31 March 2021. The financial information set out in these interim consolidated financial information does not constitute statutory accounts as defined in S434 of the Companies Act 2006. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2021, which contained an unqualified audit report and have been filed with the Registrar of Companies. They did not contain statements under S498 of the Companies Act 2006.

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 2021.

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 2021 was approved by the directors on 22 December 2021.

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.

TRAFALGAR PROPERTY GROUP PLC
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SIX MONTHS ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL INFORMATION

4. TAXATION

	6 month period ended 30 September (Unaudited)	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	2021 £'000	2020 £'000	2021 £'000
Current tax	-	-	-
Tax charge/(credit)	-	-	-
Loss/(profit) on ordinary activities before tax	(338)	17	(329)
Based on profit for the period:			
Tax at 20%	-	-	-

Effect of:			
Losses (not utilised)/utilized	_____ -	_____ -	_____ -
Tax charge for the period	_____ -	_____ -	_____ -
No tax provision has been made on account of brought forward losses.			

5. PROFIT/(LOSS) PER ORDINARY SHARE

The calculation of profit/ (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)
	2021 £'000	2020 £'000	2021 £'000
(Loss)/profit for the period	<u>(338)</u>	<u>17</u>	<u>(329)</u>
Weighted average number of shares for basic (loss)/profit per share	<u>95,644,038</u>	<u>1,081,519,705</u>	<u>95,644,038</u>
Weighted average number of shares for diluted profit/(loss) per share	<u>95,644,038</u>	<u>1,081,519,705</u>	<u>95,644,038</u>
(LOSS)/PROFIT PER ORDINARY SHARE;			
Basic	<u>(0.35)p</u>	<u>0.00p</u>	<u>(0.34)p</u>
Diluted	<u>(0.35)p</u>	<u>0.00p</u>	<u>(0.34)p</u>

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL INFORMATION

6. SHARE CAPITAL

Authorised Share Capital

	30 September 2021 Number	31 March 2021 Number
each Ordinary shares of 0.01p	1,425,190,380	487,690,380
Issued in year:		
Ordinary shares of 0.01p	-	937,500,000
Total ordinary shares of 0.01p in issue)	<u>1,425,190,380</u>	<u>1,425,190,380</u>
Total ordinary shares of 0.1p in issue following consolidation	142,519,038	142,519,038
Deferred shares of 0.9p in issue	287,144,228	238,375,190
Deferred shares of 0.9p arising from re-organisation	<u>-</u>	<u>48,769,038</u>
Total deferred shares of 0.9p in issue	<u>287,144,228</u>	<u>287,144,228</u>
Authorised Share Capital	30 September 2021 £'000	31 March 2021 £'000
Called up share capital	2,727	2,727

Share premium	3,250	3,250
Loan notes equity reserve	104	104

On 13th July 2020, the Company undertook a sub-division of its ordinary shares, which sub-divided the 487,690,380 0.1p Ordinary Shares into 487,690,380 0.01p Ordinary shares and 487,690,380 0.09p Deferred shares. Subsequently, the 0.09p Deferred shares were consolidated with the 0.9p Deferred shares to create 287,144,228 0.9p Deferred shares ranking pari passu as one class with the existing deferred shares of 0.9p each.

On 14th July 2020, 937,500,000 additional shares were issued under a placing at 0.08p each (at a premium of 0.07p per share) to raise £750,000 before costs of £ 66,863.

TRAFALGAR PROPERTY GROUP PLC
CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021
NOTES TO THE FINANCIAL INFORMATION

In addition, on 14th July 2020 warrants to subscribe for ordinary shares of 0.01p were granted as follows:-

Subscribers to the placing were granted warrants to subscribe for up to 937,500,000 shares for a period of two years, exercisable at 0.2p per share.

Peterhouse Capital Limited was granted warrants to subscribe for shares equivalent up to 3% of the issued ordinary share capital from time to time, exercisable for a period of two years, at 0.08p per share.

Following the consolidation of ordinary shares in December 2020, the warrants have been adjusted and comprise placee warrants to subscribe for up to 93,750,000 ordinary shares of 0.1p at 2p per share, and the warrants held by Peterhouse Capital Limited are exercisable at 0.8p per share.

In relation to the granting of these warrants to Peterhouse Capital Limited, these fall under the requirements of IFRS 9 Financial Instruments and as such are accounted for at fair value through profit or loss. At the grant date of these warrants these are valued using a Black Scholes model to determine the intrinsic value of the warrant and a liability is recognized for this amount with a corresponding expense through the income statement. The Directors' have concluded that the intrinsic value of the warrant as at 31 March 2021 is not material to the results and subsequent movements in the share price have decreased this value further. As such no accounting entries have been made to these results.

Further on 14 July 2020, £600,000 of convertible loan notes were issued to Mr C C Johnson as part of arrangements to reorganise loans between him and the Group. The notes are repayable on 31 July 2022 and are convertible at any time into 300,000,000 ordinary shares of 0.01p at 0.2p per share. On conversion, warrants to subscribe for up to 300,000,000 ordinary shares will be granted to Mr C C Johnson exercisable for a period of two years from the date of grant at 0.2p per share. Following the consolidation of ordinary shares in December 2020, the loan notes have been adjusted and are convertible into 30,000,000 ordinary shares of 0.1p at 2p per share, with warrants to be granted to subscribe for up to 30,000,000 ordinary shares of 0.1p each at 2p per share.

The convertible loan notes have been accounted for as having both a debt and an equity element. This results in the creation of a loan note equity reserve at the point of issue. This loan note equity reserve is the difference between the loan note value received by the company of £ 600,000 and the fair value of a debt only instrument with a 10% imputed interest rate and a final settlement figure of £ 600,000 in July 2022. This 10% imputed interest rate of £33,058 (2020: nil), is managements' best estimate as to the interest rate that would be expected from the market for an unsecured loan of £600,000 without a conversion element.

Ordinary shares entitle the holder to receive notice of and to attend or vote at any general meeting of the Company or to receive dividends or other distributions.

Deferred shares do not entitle the holder to receive notice of and to attend or vote at any general meeting of the Company or to receive dividends or other distributions. Upon winding up or dissolution of the Company the holders of deferred shares shall be entitled to receive an amount equal to the nominal amount paid up thereon, but only after holders of ordinary shares have received £ 100,000 per ordinary share. Holders of deferred shares are not entitled to any further rights of participation in the assets of the Company. The Company has the right to purchase the deferred shares in issue at any time for no consideration.

TRAFALGAR PROPERTY GROUP PLC
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On 29 December 2020, for every ten of the 1,425,190,380 ordinary shares of 0.01p then in issue, were consolidated into one ordinary

share of 0.1p resulting in there being 142,519,038 ordinary shares of 0.1p in issue.

There were no further issues or consolidation of share capital in the 6 month period to 30 September 2021 .

7. SHARE OPTIONS AND WARRANTS

Share options or warrants as at the year end are as follows (2020:nil)

On 14 July 2020 warrants to subscribe for ordinary shares of 0.01p were granted as follows:

- (a) Subscribers to the placing effected in July 2020 were granted warrants to subscribe for up to 937,500,000 shares for a period of two years, exercisable at 0.2p per share;
- (b) Peterhouse Capital Limited was granted warrants to subscribe for shares equivalent up to 3% of the issued ordinary share capital from time to time, exercisable for a period of two years, at 0.08p per share.

Following the consolidation of ordinary shares in December 2020, the warrants have been adjusted and comprise place warrants to subscribe for up to 93,750,000 ordinary shares of 0.1p at 2p per share, and the warrants held by Peterhouse Capital Limited are exercisable at 0.8p per share.

Further on 14 July 2020 £600,000 of convertible loan notes were issued to Mr C C Johnson as part of arrangements to reorganise loans between him and the Group. The notes are repayable on 31 July 2022 and are convertible at any time into 300,000,000 ordinary shares of 0.01p at 0.2p per share. On conversion warrants to subscribe for up to 300,000,000 ordinary shares will be granted to Mr C C Johnson exercisable for a period of two years from the date of grant at 0.2p per share. Following the consolidation of ordinary shares in December 2020, the loan notes have been adjusted and are convertible into 30,000,000 ordinary shares of 0.1p at 2p per share, with warrants to be granted to subscribe for up to 30,000,000 ordinary shares of 0.1p each at 2p per share.

8. SUBSEQUENT EVENTS

On 22 November 2021, it was announced that Mr C C Johnson has agreed to lend the Company up to £200,000 by way of additional convertible loan notes. The convertible loan notes, of which £ 80,000 will be drawn immediately will be used for general working capital purposes. The convertible loan notes have a redemption date of 30 November 2022. All drawdowns against the convertible loan notes facility are at the full discretion of Mr C C Johnson.

In the event the convertible loan notes are drawn in full, they will be convertible into 28,571,427 new ordinary shares at 0.7p per ordinary share. The convertible loan notes are unsecured, non-transferable with nil coupon and can be converted at any time by Mr C C Johnson, subject inter alia to his entire holding being less than 29.99 per cent.

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL INFORMATION

9. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2021 - freehold property	900,000
At 1 April 2021 - leasehold property	1,075,000
Disposals - leasehold property	(375,000)
Revaluations - leasehold properties	(67,000)
At 30 September 2021	<u>1,533,000</u>
NET BOOK VALUE	
At 30 September 2021	1,533,000
At 31 March 2021	<u>1,975,000</u>
Fair value at 30 September 2021 is represented by:	
Valuation at 31 March 2021	£ 1,075,000
Re valuation - 6 months to 30 September 2021	(67,000)
Disposal	(375,000)
Leasehold property	633,000
Freehold property	<u>900,000</u>
Fair value 30 9 21	<u>1,533,000</u>

Following a review during the period, the directors considered it prudent to re assess the fair value of all investment property held. During the period to 30 September 2021 one property was sold following the tenants vacating. This sold at a loss as shown in the Statement of Comprehensive Income. Since the period end another leasehold property has gone under offer in December 2021. This too will show a loss of £40,000. Consequently a revaluation of £67,000 (loss) has been provided on account of the two remaining leasehold properties. The Directors consider the fair value brought forward on the freehold property is correct and no further adjustment has been made in the period to date on that property.

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