

10 December 2020

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

**Interim Results**  
**for the six months ended 30 September 2020**

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its interim results for the six months ended 30 September 2020 (the "Period").

**Key financials:**

- Turnover for the Period was £1,311,150, (H1 2019: £1,254,000);
- Gross profit of £302,596, (H1 2019: gross loss £102,000), giving a pre-tax profit of £16,699 after overheads (H1 2019: pre-tax loss: £528,000);
- EPS of 0.00p (H1 2019: (0.11p)); and
- Cash in bank at period end was £405,813 (H1 2019: £27,780); at 9 December 2020 cash at bank was £541,667.

James Dubois, **Non-Executive Chairman of Trafalgar**, said: 'Your Board is delighted that Trafalgar is today able to report the Company's first period of profitability since 2013. Set against a period of unprecedented volatility and uncertainty in the property sector resulting from the global Covid-19 pandemic, this is a truly commendable performance. With a much stronger Balance Sheet following our June 2020 fund raise and debt conversion, the Company is now able to look forward to the immediate future with a degree of optimism and confidence not felt for a number of years. The board has today sent a circular to shareholders convening an EGM to authorise a share consolidation on a 1 for 10 basis'

Copies of the interim report will be available later today on the Company's website, [www.trafalgarproperty.group](http://www.trafalgarproperty.group)

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**Notes to Editors:**

Trafalgar Property Group 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](http://www.trafalgarproperty.group)

**TRAFALGAR PROPERTY GROUP PLC**  
**INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

**CHIEF EXECUTIVE'S REPORT**

I present the Company's Interim Results for the six month period to 30<sup>th</sup> September 2020. Revenue for the period was £1,311,150 and cost of sales was £1,008,554, giving a gross profit for the period of £302,596.

Other income amounted to £28,717 being government grants and furlough receipts. Mortgage and private loan interest was paid during the period of £68,985 with a further £8,263 of loan note equity interest being accrued in the period. The result of the above is a profit before taxation for the period of £16,699.

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 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 2020 the Group sold one unit at the Sheerness site and two land options which culminated in sales of £ 1,275,000. During October 2020 two further units at Sheerness have completed with two of the remaining three units under offer. We are also awaiting the results of planning applications 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 2020**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>6 month period ended 30 September (Unaudited)</b>	6 month period ended 30 September (Unaudited) Restated	Year ended 31 March (Audited)
Note	<b>2020</b>	2019	2020
	<b>£'000</b>	£'000	£'000
Revenue	<b>1,311</b>	1,254	1,970
Cost of sales	<b><u>(1,009)</u></b>	<u>1,356</u>	<u>(1,816)</u>
Gross profit/(loss)	<b>302</b>	(102)	154
Administrative expenses	<b><u>(237)</u></b>	<u>(421)</u>	<u>(541)</u>
<b>Underlying operating profit/(loss)</b>	<b>65</b>	(523)	(387)
Other interest receivable and other income	<b>29</b>	-	-
<b>Exceptional items</b>	<b>-</b>	-	(596)
Interest payable and similar charges	<b><u>(77)</u></b>	<u>(5)</u>	<u>(40)</u>
<b>Profit/(loss) before taxation</b>	<b>17</b>	(528)	(1,023)
Tax payable on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Profit/(loss) after taxation for the period</b>	<b><u>17</u></b>	<u>(528)</u>	<u>(1,023)</u>
Other comprehensive income			
<b>Total comprehensive profit/(loss) for the period</b>	<b>17</b>	(528)	(1,023)
<b>Profit/(loss) attributable to:</b>			
Equity holders of the parent	<b><u>17</u></b>	<u>(528)</u>	<u>(1,023)</u>
<b>Total comprehensive profit/(loss) for the period attributable to:</b>			
Equity holders of the parent	<b>17</b>	(528)	(1,023)
PROFIT/(LOSS) PER ORDINARY SHARE;			
Basic/Diluted	5	<b><u>0.00p</u></b>	<u>(0.11)p</u>
		<u>(0.21)p</u>	<u>(0.21)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 2020**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Note</b>	<b>30 September (Unaudited) 2020 £'000</b>	<b>30 September (Unaudited) 2019 £'000</b>	<b>31 March (Audited) 2020 £'000</b>
<b>Non-current assets</b>				
Tangible fixed assets		2	1	1
Investment property		<u>1,975</u>	<u>—</u>	<u>1,975</u>
		<b>1,977</b>	<b>1</b>	<b>1,976</b>
<b>Current assets</b>				
Inventory		989	4,928	1,213
Trade and other receivables		50	62	42
Cash at bank and in hand		<u>406</u>	<u>28</u>	<u>28</u>
		<u><b>1,445</b></u>	<u><b>5,018</b></u>	<u><b>1,283</b></u>
<b>Total assets</b>		<u><b>3,422</b></u>	<u><b>5,019</b></u>	<u><b>3,259</b></u>
<b>EQUITIES AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		498	463	549
Borrowings		<u>374</u>	<u>2,535</u>	<u>555</u>
		<b>872</b>	<b>2,998</b>	<b>1,104</b>
<b>Non-current liabilities</b>				
Borrowings		<u>5,167</u>	<u>4,947</u>	<u>5,576</u>
<b>Total liabilities</b>		<u><b>6,039</b></u>	<u><b>7,945</b></u>	<u><b>6,680</b></u>
<b>Equity attributable to equity holders of the company</b>				
Called up share capital	6	2,727	2,632	2,633
Share premium account		3,250	2,661	2,661
Loan note equity	6	104	-	-
Reverse acquisition reserve		<b>(2,818)</b>	<b>(2,818)</b>	<b>(2,818)</b>
Profit and loss account		<u><b>(5,880)</b></u>	<u><b>(5,401)</b></u>	<u><b>(5,897)</b></u>
<b>Total Equity</b>		<u><b>(2,617)</b></u>	<u><b>(2,926)</b></u>	<u><b>(3,421)</b></u>
<b>Total Equity and Liabilities</b>		<u><b>3,422</b></u>	<u><b>5,019</b></u>	<u><b>3,259</b></u>

**TRAFALGAR PROPERTY GROUP PLC**  
**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE**  
**SIX MONTHS ENDED 30 SEPTEMBER 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital £'000</b>	<b>Share premium £'000</b>	<b>Loan Note equity Reserve £'000</b>	<b>Reverse acquisition reserve £'000</b>	<b>Retained profits /(losses) £'000</b>	<b>Total equity £'000</b>
At 1 April 2020	2,633	2,661	-	(2,818)	(5,897)	(3,421)
Profit for period	-	-	-	-	17	17
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive	-	-	-	-	17	17

income for the period						
Issue of shares	94	656	-	-	-	750
Share issue costs	-	(67)	-	-	-	(67)
Loan notes issue			104			104
At 30 September 2020	<u>2,727</u>	<u>3,250</u>	<u>104</u>	<u>(2,818)</u>	<u>(5,880)</u>	<u>(2,617)</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 0.01p 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.

On 14th July 2020, 937,500,000 additional shares were issued being ordinary 0.01p shares and 0.07p share premium for a gross subscription of £ 750,000 before costs of £ 66,863 further details are provided in Note 6.

Loan note equity further details are provided in Note 6.

**TRAFALGAR PROPERTY GROUP PLC**  
**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE**  
**SIX MONTHS ENDED 30 SEPTEMBER 2020**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 month period ended 30 September (Unaudited)</b>	6 month period ended 30 September (Unaudited)	Year ended 31 March (Audited)
	<b>2020 £'000</b>	2019 £'000	2020 £'000
<b>Cash flow from operating activities</b>			
Operating profit/(loss)	17	(528)	(1,023)
Depreciation charges	-	-	1
(Increase)/decrease in stocks	224	(447)	1,304
(Increase)/decrease in debtors	(8)	30	50
(Decrease)/Increase in creditors	(51)	(38)	107
Interest paid	<u>69</u>	<u>5</u>	<u>118</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u>251</u>	<u>(978)</u>	<u>557</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets	<u>(1)</u>	-	<u>(1)</u>
<b>Net cash used in investing activities</b>	<u>(1)</u>	-	<u>(1)</u>
<b>Taxation</b>	-	-	-
<b>Financing activities</b>			
Issue of shares	750	250	213
Share issue costs	(67)	(37)	-
	50	707	1,479
New loan borrowings			
Repaid loan borrowings	(182)	-	(2,502)
Related party borrowings	(274)	59	778
Repayment other borrowings	(80)	-	(400)
Interest paid	<u>(69)</u>	<u>(5)</u>	<u>(128)</u>

<b>Net cash flow from financing</b>	<b>128</b>	<u>974</u>	<u>(560)</u>
<b>Increase/(Decrease) in cash and cash equivalents in the period</b>	<b>378</b>	<u>(4)</u>	<u>(4)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>28</u>	<u>32</u>	<u>32</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>406</u>	<u>28</u>	<u>28</u>

**TRAFALGAR PROPERTY GROUP PLC**  
**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE**  
**SIX MONTHS ENDED 30 SEPTEMBER 2020**

**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) 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 2020 to 30 September 2020. The results for the year ended 31 March 2020 have been extracted from the statutory financial statements for the Company for the year ended 31 March 2020. 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 2020, 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 2020.

The interim financial information for the comparative six month period ended 30 September 2019 has been restated. This was to address the incorrect recognition of intercompany sales and cost of sales of £1,075,000 in the consolidated financial information. In addition, rental income has now been presented as part of the principal activity of the Group, and is therefore shown in revenue. The impact of these items is a decrease in turnover for the six month period ended 30 September 2019 of £1,032,000, along with a decrease in cost of sales of £1,075,000 and a decrease in other interest receivable and similar income of £43,000. There was no impact on the Loss after taxation for the period and no impact on the Consolidated Statement of financial position.

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 2020 was approved by the directors on 9 December 2020.

**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**  
**CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE**  
**SIX MONTHS ENDED 30 SEPTEMBER 2020**

**NOTES TO THE FINANCIAL INFORMATION**

**4. TAXATION**

<b>6 month period ended 30</b>	<b>6 month period ended 30</b>	<b>Year ended 31 March (Audited)</b>

	<b>September (Unaudited)</b>	September (Unaudited)	
	<b>2020 £'000</b>	2019 £'000	2020 £'000
Current tax	—	—	—
Tax charge/(credit)	—	—	—
Profit/(loss) on ordinary activities before tax	<b>17</b>	(528)	(1,023)
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:

	<b>6 month period ended 30 September (Unaudited)</b>	6 month period ended 30 September (Unaudited)	Year Ended 31 March (Audited)
	<b>2020 £'000</b>	2019 £'000	2020 £'000
Profit/(loss) for the period	<u>17</u>	<u>(528)</u>	<u>(1,023)</u>
Weighted average number of shares for basic profit/(loss) per share	<u>1,081,519,705</u>	<u>487,690,380</u>	<u>487,690,380</u>
Weighted average number of shares for diluted profit/(loss) per share	<u>1,081,519,705</u>	<u>487,690,380</u>	<u>487,690,380</u>
PROFIT/(LOSS) PER ORDINARY SHARE;			
Basic	<u>0.00p</u>	<u>(0.11)p</u>	<u>(0.21)p</u>
Diluted	<u>0.00p</u>	<u>(0.11)p</u>	<u>(0.21)p</u>

### TRAFALGAR PROPERTY GROUP PLC

### CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

#### NOTES TO THE FINANCIAL INFORMATION

#### 6. SHARE CAPITAL

Authorised Share Capital

	<b>30 September 2020 Number</b>	31 March 2020 Number
Ordinary shares of 0.1p each	1,425,190,380	487,690,380
Ordinary shares of 0.01p each	287,144,228	238,375,190
Deferred shares of 0.9p each		
Issued, allotted and fully paid	1,712,334,608	726,065,570

Authorised Share Capital	30 September	31 March
	2020	2020
	£'000	£'000
Called up share capital	2,727	2,633
Share premium	3,250	2,661
Loan notes equity reserve	104	-

On 13<sup>th</sup> 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.

On 14<sup>th</sup> July 2020, 937,500,000 additional shares were issued being ordinary 0.01p shares and 0.07p share premium for a gross subscription of £ 750,000 before costs of £ 66,863.

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

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;

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**NOTES TO THE FINANCIAL INFORMATION**

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

In relation to the warrants granted to Peterhouse Capital Limited, these fall under the requirements of IAS 39 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 recognised for this amount with a corresponding expense through the income statement. The Directors' have concluded that the intrinsic value of the warrant as at 30 September 2020 is not material to the interim results and subsequent movements in the share price have decreased this value further. As such no accounting entries have been made to these interim 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 convertible into 300,000,000 ordinary shares at 0.2p per share for a period of two years. 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.

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 reserve at the point of issue. This loan note 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 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.

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