

TRAfalgar New Homes PLC (the “Company”)

(Registered in England and Wales under the Companies Act 1985 (as amended) with registered Number 4340125)

Changes to the Company’s Circular dated 13 October 2011

At the Company’s General Meeting held at 12:00 noon on 8 November 2011, all of the resolutions proposed were duly passed.

The minor changes detailed below have been made to the circular dated 13 October 2011 (the “Circular”), which was sent to shareholders:

- In the “Directors, Proposed Directors, Secretary and Advisers” section of the Circular, Moorhead James LLP (of Kildare House, 3 Dorset Rise, London EC4Y 8EN) are now referenced as being the Solicitors to the Company.
- In Alexander Johnson’s biography paragraph in Part 1 of the Circular, the fact that Alexander Johnson is a person connected to Christopher Johnson within the meaning of section 252 of the Companies Act 2006 (by virtue of Alexander Johnson being Christopher Johnson’s son) has been added.
- In the table in paragraph 6.2 of Part 7 of the Circular, the following details have been added to the Current Directorships/Partnerships section for J. Reid: “The Brew Partnership LLP”, “The Brew Dereham Place Limited” and “The Brew Spaces Limited”.
- In paragraphs 6.3.3 to 6.3.7 of Part 7 of the Circular, references to “Mr Johnson” have been clarified as being references to “Christopher Johnson”.
- In paragraph 8 of Part 7 of the Circular, a reference to “the Company” has been changed to “the Enlarged Group”.
- In paragraph 9 of Part 7 of the Circular, the first reference to “the Company” has been changed to “the Enlarged Group”.

Aside from the changes detailed above, the admission document overleaf is otherwise unchanged from the Circular.

8 November 2011

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents and the action you should take you are recommended immediately to seek your own advice from a person duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares or other securities.

This Document, which is an admission document prepared in accordance with the PLUS Rules for Issuers, has been issued in connection with the proposed application for Re-Admission. The Re-Admission will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA or the Prospectus Rules published by the Financial Services Authority ("FSA") (as amended) and accordingly this Document does not constitute a prospectus for these purposes and has not been pre-approved by the United Kingdom Listing Authority pursuant to section 85 of FSMA.

The Directors and the Proposed Directors, whose names appear on page 6 of this Document, accept responsibility for the information contained in this Document including individual and collective responsibility for compliance with the PLUS Rules. To the best of the knowledge and belief of the Directors and the Proposed Directors, (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The whole of this Document should be read. An investment in the Company involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this Document. Your attention is also drawn to the section headed "Risk Factors" which is set out in Part 3 of this Document.

If you have sold or transferred all of your Existing Ordinary Shares or if prior to the date hereof such a sale or transfer is effected please immediately send this Document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

TRAFALGAR NEW HOMES PLC

(Registered in England and Wales under the Companies Act 1985 (as amended) with registered Number 4340125)

Proposed Acquisition of Combe Bank Homes Limited, Re-Admission to Trading on PLUS-quoted and Notice of General Meeting

PLUS Corporate Adviser and Broker SVS Securities Plc

Application will be made, conditional upon, inter alia, Resolutions 1, 2 and 3, in the Notice of a GM being passed, for the issued shares comprising the Enlarged Share Capital to be admitted to trading on PLUS-quoted.

The PLUS-quoted market, which is operated by PLUS Stock Exchange plc, a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and PLUS-quoted securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in PLUS-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial

adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Trafalgar New Homes Plc is required by PLUS Stock Exchange plc to appoint a PLUS Corporate Adviser to apply on its behalf for admission to the PLUS-quoted market and must retain a PLUS Corporate Adviser at all times. The responsibilities and duties of a PLUS Corporate Adviser are set out in the PLUS Rules for Issuers.

It is emphasised that no application is being made or has been made for admission of the Ordinary Shares to the Official List of the UK Listing Authority or to trading on the AIM market of the London Stock Exchange. PLUS-quoted is not part of the London Stock Exchange. The rules of PLUS-quoted are less demanding than those of the Official List.

The New Ordinary Shares will, following allotment, subject to and on completion of the Acquisition, rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares.

SVS Securities Plc, which is authorised and regulated by the FSA, is acting for Trafalgar New Homes Plc as its PLUS Corporate Adviser in connection with the Acquisition. SVS Securities Plc is acting for Trafalgar New Homes Plc and no one else in relation to the Acquisition proposed in this Document and will not be responsible to anyone other than Trafalgar New Homes Plc for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document as may be required.

Notice of a GM of the Company to be held at the offices of SVS Securities Plc, 21 Wilson Street, London, EC2M 2SN on 8 November 2011 is set out at the end of this Document. Shareholders will find enclosed a Form of Proxy for use at the GM which, to be valid, must be completed and returned so as to be received by the Company's registrars, Neville Registrars Limited, Neville house, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, as soon as possible and, in any event, not later than 12:00 noon on 6 November 2011. Completion and return of the form of Proxy will not preclude Shareholders from attending the meeting and voting in person should they subsequently wish to do so. The Directors' recommendation is set out on pages 15 and 16 of this Document.

FORWARD – LOOKING STATEMENTS

This Document contains forward-looking statements. These statements relate to the Company's prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envise", "estimate", "intend", "may", "plan", "propose" and "will" or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts 1 and 2 of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the group are specifically described in Part 3 of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements are made only as at the date of this Document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or the risk factors other than as required by the law, the PLUS Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy for the GM	12:00 noon on 6 November 2011
GM	12:00 noon on 8 November 2011
Completion of the Acquisition	As soon as practicable following passing of the Resolutions
Re-Admission effective and dealings commence in New Ordinary Shares	As soon as practicable following passing of the Resolutions and Completion of the Acquisition
CREST stock accounts credited (as applicable)	As soon as practicable following Re-Admission
Definitive share certificates dispatched (as applicable)	As soon as practicable following Re-Admission

STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document	20,757,519
Number of New Ordinary Shares being issued pursuant to the Acquisition and to Advisers	193,617,671
Number of Ordinary Shares in issue following Re-Admission and completion of the Acquisition	214,375,190
ISIN	GB00B0SP7491

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Andrew Moore (<i>Non-Executive Chairman</i>) Robert McKendrick (<i>Non-Executive</i>) James Reid (<i>Non-Executive</i>)
	All of 3 Caroline Court, 13 Caroline Street, Birmingham B3 1TR
Proposed Directors	Christopher C Johnson (<i>Executive Chairman</i>) Alexander Johnson (<i>Sales and Marketing Director</i>)
Registered Office	3 Caroline Court, 13 Caroline Street, Birmingham B3 1TR Telephone number: 07092 009165
Company Secretary	Mr Andrew Moore
PLUS Corporate Adviser and Broker	SVS Securities Plc 21 Wilson Street, London EC2M 2SN
Auditors	Rochesters Audit Services Ltd Registered Auditors No 3 Caroline Court 13 Caroline Street St Paul's Square Birmingham B3 1TR
Solicitors to the Company	Moorhead James LLP Kildare House 3 Dorset Rise London EC4Y 8EN
Registrars	Neville Registrars Limited, Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

DEFINITIONS

The following definitions apply throughout this Document unless the context otherwise requires:

“2006 Act”	the Companies Act 2006
“Acquisition”	the reverse takeover by Combe Bank Homes Limited of the Company
“Acquisition Agreement”	the agreement dated 13 October 2011 between (1) the Vendors and (2) the Company relating to the acquisition by the Company of all the issued share capital of Combe Bank Homes limited by the Company, conditional upon the passing of the Resolutions and Re-Admission
“Adviser Shares”	the 6,800,000 Ordinary Shares to be issued to SVS in settlement of part of SVS’s fees in respect of the Acquisition and Re-Admission and in settlement of outstanding amounts due to SVS by the Company
“Articles”	the articles of association of the Company
“Combe Bank”	Combe Bank Homes Limited, a company registered in England and Wales with registered number 6003791
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“City Code”	the City Code on Takeovers and Mergers
“Company” or “Trafalgar”	Trafalgar New Homes Plc, a company registered in England and Wales, with registered number 4340125
“Completion”	completion of the Acquisition, due to take place on Re-Admission
“Concert Party”	the shareholders of Combe Bank, details of whom are set out in Part 1 of this Document
“Directive”	The Takeover Directive (2004/25/EC)
“Directors” or “Board”	the directors of the Company at the date of this Document
“Document”	this document
“Enlarged Group”	the Company and Combe Bank following the Acquisition
“Enlarged Share Capital”	the issued ordinary share capital of the Company on Re-Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares

“Existing Ordinary Shares”	the 20,757,519 existing issued Ordinary shares at the date of this Document
“Form of Proxy”	the form of proxy to be used by holders of Existing Ordinary Shares in connection with the GM
“GM”	the general meeting of the Company to be held on 8 November 2011 at 12:00 noon, notice of which is set out at the end of this Document
“New Ordinary Shares”	the 193,617,671 Ordinary Shares to be issued pursuant to the Acquisition and the Adviser Shares
“Ordinary Shares”	ordinary shares of 1p each in the share capital of the Company at the date of this Document
“Panel”	the Panel on Takeovers and Mergers, the regulatory body which administers the City Code
“PLUS-quoted”	a market operated by PLUS Stock Exchange plc
“PLUS Rules”	the rules for the regulation of PLUS-quoted published by PLUS Markets plc governing companies whose shares are admitted to trading on PLUS-quoted or which seek to be admitted as such
“Proposed Directors”	the directors who will be appointed directors of the Company subject to Re-Admission
“QCA Guidelines”	the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance from time to time
“Re-Admission”	the re-admission of the Enlarged Share Capital to trading on PLUS-quoted becoming effective in accordance with the PLUS Rules for Issuers
“Relationship Agreement”	the relationship agreement dated 13 October 2011 entered into between (1) the Company, (2) Christopher Charles Johnson and (3) SVS, a summary of which is set out in paragraph 7 of Part 7 of this document.
“Resolutions”	the resolutions set out in the notice of EGM at the end of this Document and “Resolution” shall mean any one of them as appropriate
“Shareholders” or “Members”	holders of Existing Ordinary Shares
“SVS”	SVS Securities Plc, the Company’s PLUS Corporate Adviser and Broker
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part 8 of the Financial Services and Markets Act 2000

“Vendors”

the shareholders of Combe Bank as at the date of this Document

PART 1

Letter from the Chairman of Trafalgar New Homes Plc

TRAfalgar NEW HOMES PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended) with Registered Number 4340125)

Directors:

Robert J McKendrick
Andrew Moore
James Reid

Registered Office:

3 Caroline Court
13 Caroline Street
Birmingham B3 1TR

Proposed Directors:

Christopher Charles Johnson
Alexander Daniel Johnson

13 October 2011

To the holders of Existing Ordinary Shares

Acquisition of Combe Bank Homes Limited

Introduction

It was announced today that the Company has agreed, conditionally, to acquire the issued share capital of Combe Bank Homes Limited for a total consideration of approximately £2,250,000 to be satisfied by the issue of 186,817,671 New Ordinary Shares of 1p per share on completion. This will represent approximately 87 per cent of the issued share capital after issue.

Trafalgar has been a small house builder which encountered financial difficulties, principally in relation to its development at Mitcham, Surrey. On 7 July 2010 Trafalgar announced that dealings in its ordinary shares on PLUS-quoted had been suspended at the request of the Board pending clarification of the Company's financial position. On 12 July 2010 the Company announced that it had filed a notice to appoint Administrators at Court. On 16 November 2010 the Company announced the convening of a Creditors' and General Meeting of the Company for the consideration of a proposal by the administrator for a Company Voluntary Arrangement of the Company and on 30 November 2010 Trafalgar announced that at the Creditors' Meeting and the General Meeting held that day all resolutions were passed and that, as such, the Company Voluntary Arrangement had been approved. On 8 August 2011 10,000,000 ordinary shares were allotted to creditors in satisfaction of outstanding debts and 2,000,000 ordinary shares allotted to Central Corporate Finance (a limited liability partnership which is controlled by myself) in relation to work performed on of the Company Voluntary Arrangement. Re-Admission will be conditional, *inter alia*, on the completion of the administration process. On 13 September 2011 Trafalgar announced that the Company was no longer in administration.

The Directors regard the acquisition of Combe Bank, with its established development portfolio and banking and other financial arrangements to be a logical step in taking the Enlarged Group forward.

Combe Bank is a residential development company whose management has a track record of developing, principally in Kent, new and refurbished homes. Further details of Combe Bank are set out in Part 2 of this Document. The proposed Acquisition will, if approved, proceed on the terms of the Acquisition Agreement. It is proposed that Christopher Johnson, the Executive Chairman of Combe Bank will, if the Acquisition is approved, become the Executive Chairman of

the Company. Mr Johnson is a qualified solicitor and has been involved in residential development in Kent for many years.

The Acquisition, when completed, will constitute a Reverse Takeover as defined in the PLUS Rules for Issuers and, accordingly, requires the approval of Shareholders at a general meeting of the Company. The GM is being convened for this purpose and will be held on 8 November 2011 at 12:00 noon. If the Resolutions proposed at the GM are passed by Shareholders it is expected that Completion will occur as soon as practicable following passing of the Resolutions. This Document, which is an admission document prepared in accordance with the PLUS Rules, has been issued in connection with the proposed application for Re-Admission.

The City Code

The City Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive. Its statutory functions are set out in and under Chapter 1 of Part 28 of the 2006 Act. The Company is a company to which the City Code applies and its shareholders are, accordingly, entitled to the protections afforded by the City Code.

The City Code is designed principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The City Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

Under Rule 9 of the City Code, when a person or a group of persons acting in concert acquires an interest in shares in a company which is subject to the City Code and such shares (when taken together with any other shares in which he or they have an existing interest) carry 30 per cent or more of the voting rights of the Company, such person or group of persons is normally obliged to make a general offer in cash to all of the company's shareholders to acquire the remaining equity share capital at the highest price paid by any member of such concert party within the preceding 12 months.

On Completion, Mr. C. Johnson and Mr. A. Johnson (who together constitute a concert party for the purposes of the City Code) will hold 186,815,803 ordinary shares representing 87.14 per cent of the ordinary share capital and 1,868 ordinary shares representing 0.01 per cent of the ordinary share capital respectively, or 87.15 per cent of the Company's issued share capital in aggregate. The members of the concert party would, normally, be required to make a general offer under Rule 9 of the City Code, as referred to above. The Panel will normally agree to waive the obligation to make a general offer that would otherwise arise through the issuance of new shares, subject to the approval of Independent Shareholders on a poll at a general meeting. In this instance the Panel has agreed to grant a waiver from the requirements for the Vendors to make a Rule 9 offer to the shareholders because of the following confirmations which have been provided by Independent Shareholders holding in excess of 50 per cent of the Existing Ordinary Shares. Mr. K. Virk, Mr. A. Sheldrick, Mr R McKendrick and Central Corporate Finance (a limited liability partnership which is controlled by myself) who, in aggregate, currently hold 12,777,861 Ordinary Shares in the Company, representing approximately 61.56 per cent of the issued equity share capital have confirmed to the Panel that;

1. they are the beneficial holders of the shares referred to above and have absolute discretion over the manner in which these shares are voted;
2. there is no connection between them and the Vendors, they do not have any interest or potential interest, whether commercial, financial or personal in the outcome of the proposed transaction and they are Independent Shareholders of the company as defined above; and

3. in connection with the Proposed Transaction:
 - (a) they consent to the Panel granting a waiver from the obligation for the Vendors to make a Rule 9 offer to the shareholders of the Company;
 - (b) subject to independent Shareholders of the Company holding more than 50 per cent of the shares capable of being voted on a Whitewash Resolution to approve the waiver from the obligation of the Vendors to make a Rule 9 offer giving similar confirmations in writing, they consent to the Panel dispensing with the requirement that the waiver from such obligation be conditional on a Whitewash resolution being approved by Independent Shareholders of the Company at a general meeting; and
 - (c) they would vote in favour of a Whitewash resolution to waive the obligation for the Vendors to make a Rule 9 offer were one to be put to the Independent Shareholders of the company at a general meeting.

On the above basis the Panel has granted a waiver from the requirement for the Vendors to make a Rule 9 offer to the shareholders of the Company.

Rule 9 of the City Code also states that, if any person or group of persons acting in concert has an interest in shares carrying not less than 30 per cent, but does not hold shares carrying more than 50 per cent of the voting rights, and such person, or any person acting in concert with him, acquires an interest in any additional shares which increase their percentage of the voting rights, such person or group of persons is obliged to make a general offer to all shareholders. To the extent that, following Re-Admission, the members of the concert party are interested in between 30 per cent and 50 per cent of the Company's voting share capital (and for so long as they continue to be treated as acting in concert) any further increase in the aggregate number of shares in which they are interested would be subject to the provisions of Rule 9. **In this instance, following Re-Admission, the members of the concert party between them will hold more than 50 per cent of the Company's voting share capital (and for so long as they continue to be treated as acting in concert) they will accordingly be able to increase the aggregate number of shares in which they are interested without incurring any further obligation under Rule 9 to make a general offer, although individual members of the concert party (if their individual holdings are less than 50 per cent) will not be able to increase the percentage of shares in which they are interested through or between a Rule 9 threshold without panel consent.**

Changes in Board Structure

It is intended, following completion, that I will resign as Chairman of the Board and become a non-executive Director and that Robert Mckendrick and James Reid will retire from the Board. It is then intended that Christopher Johnson be appointed as Executive Chairman and his son, Alexander, be appointed Sales and Marketing Director of the Company. Following the aforesaid appointments and resignations the Board will comprise the following Proposed Directors:

Christopher Charles Johnson –aged 64 - *Executive Chairman*
 Alexander Daniel Johnson – aged 38 – *Sales and Marketing*
 Andrew Moore – aged 52 – *Non-Executive Director*

Christopher Johnson

Christopher Johnson is qualified as a solicitor. During the 1990s Christopher Johnson established his own residential property development company, which was floated on the OFEX Market in 1999 and subsequently on the AIM Market in 2001. The company was sold through a public offer for approximately £9.4 million in 2004. He then set up another house building company which was sold for £3 million in December 2006, and subsequently established Combe Bank.

Alexander Johnson

Alex Johnson is Christopher Johnson's son and, as such, is a person connected to Christopher Johnson within the meaning of section 252 of the Companies Act 2006. He worked as a manager in an estate agency until 2002 when he joined his father in his residential property development company as sales director. He has subsequently been involved in the development of Christopher Johnson's residential businesses, including the establishment of Combe Bank.

Further information on the Proposed Directors is set out in paragraph 6 of Part 7 of this Document.

Re-Admission to PLUS-quoted and Dealings

Application will be made for the Enlarged Share Capital to be admitted to PLUS-quoted following the passing of the Resolutions at the GM. Dealings in the Enlarged Share Capital are expected to commence as soon as practicable after the passing of the Resolutions and Completion of the Acquisition Agreement.

Relationship Agreement

On Completion, Mr C. Johnson will own 87.14 per cent of the Enlarged Share Capital. As a result he will be able to exercise control over certain matters requiring approval by Shareholders, including control over the removal and appointment of Directors. Such decisions or actions may conflict with the interests of the public investors.

Mr C. Johnson has entered into the Relationship Agreement with the Company and SVS to regulate the relationship between him, his respective associates and the Group after Re-Admission. Under the Relationship Agreement Mr Johnson has undertaken to procure that, at all times, the Company will carry on its business and the Group's business on an arm's length and commercial basis in relation to them and their interests and in accordance with the PLUS Rules. The principal terms of the Relationship Agreement are summarised in paragraph 7 of Part 7 of this document.

Corporate Governance

The Company intends to ensure that it will continue to comply with the provisions of the QCA Guidelines insofar as they are appropriate given the Company's size and stage of development.

A Remuneration Committee is to be established and will comprise the Chairman and the Non-Executive. The Remuneration Committee will review the performance and determine the remuneration of the Executive Directors and the terms of their service agreements with due regard to the interests of shareholders. The Remuneration Committee will also determine the payment of any bonuses and the grant of options to both the Executive Directors and to employees.

An Audit Committee is to be established and will comprise the Chairman and the Non-Executive. The Audit Committee will meet at least twice a year and will be responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored, controlled and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls.

The Company will operate a share dealing code for directors' dealings appropriate for a company whose shares are admitted to trading on PLUS-quoted and will take all reasonable steps to ensure compliance by the Directors and any relevant employees.

Dividend Policy

The declaration and payment of dividends is at the discretion of the Board and depends on the future funding requirements, the profits generated and the available reserves of the Company. If the Acquisition is approved, it is intended that Combe Bank's accounting reference date will be changed from 30 November to 31 March and consideration will be given to the payment of a dividend as soon as possible.

Current Trading and Prospects

Combe Bank's land and property portfolio falls into three categories. The first consists of those sites which have been fully developed and which have been retained following a decision not to market them in a declining market. Construction work on these sites situated at Maidstone (six units), the Engineer Public House, Dover (five units), Stanhope Road, Dover, (two maisonettes), and houses at 1 Stanhope Road, Dover, and Oakhurst Lodge, Bank Lane, Hildenborough, Kent was completed in 2009 and 2010. All these units have been let and generate income. At the appropriate time it is the intention of the Proposed Directors to offer these properties for sale.

Properties in the second category consist of those which have been developed in the past year, which have been offered for sale or sold, and should contribute to the Company's trading results in the current financial year. These properties are two units at Aylesford, three units at Crowborough and six at Deal. All the units at Aylesford and Crowborough have been sold. Construction of the units at Deal has been completed. Four of the units have been sold, and it is expected that the two remaining units will be sold during the current financial year.

The third category consists of four sites which have been retained for development. Of these, construction work has been commenced on twelve units at Oakhurst Manor, Bank Lane, Hildenborough and eleven units and a shop at High Street, Edenbridge.

Combe Bank has also obtained planning permission for six units in Sheerness and three units in Chatham where it is anticipated construction work will commence during the current year.

In the financial information on Combe Bank set out in Part 5 of this Document, the Profit and Loss Account for the year ended 30 November 2010 reflected a loss of £903,100, principally resulting from a write-down in the value of Oakhurst Manor, following a professional valuation of the site carried out in 2009. As referred to in Part 2 of this Document the site is currently being developed.

GM

A notice convening a GM for the purposes of proposing the resolutions set out below is set out at the end of this Document. The GM will be held at the offices of SVS Securities Plc, 21 Wilson Street, London, EC2M 2SN at 12:00 noon on 8 November 2011 at which resolutions will be proposed as follows:

- an ordinary resolution to approve the Acquisition;
- an ordinary resolution that the Directors be generally and unconditionally authorised for the purpose of section 551 of the 2006 Act, in substitution for all existing and unexercised authorities, to exercise all or any of the powers of the Company to allot Ordinary Shares up to a maximum nominal amount of £2,450,000;
- a special resolution to disapply the provisions of section 561 of the 2006 Act to empower the Directors to allot unissued shares pursuant to the section 551 authority referred to above otherwise than *pro-rata* to existing shareholders as if section 561 of the 2006 Act did not apply to any such allotment provided that such power is limited (i) to the issue of equity securities with an aggregate nominal amount of £68,000 in

- respect of the Adviser Shares, and (ii) to the issue of equity securities with an aggregate nominal amount of £513,824, (representing approximately 26.8 per cent of the Enlarged Share Capital of the Company; and
- a special resolution to confirm and ratify the authorities to allot, and to confirm and ratify the allotment of, 12,000,000 Ordinary Shares pursuant to the Company Voluntary Arrangement for the purposes of sections 551 and 571 of the 2006 Act;
 - a special resolution to confirm the revocation of any provision in the existing Memorandum and Articles of Association setting a maximum amount of shares that may be allotted by the Company, and to adopt new Articles of Association. A summary of the provisions of the new Articles of Association is set out in paragraph 4 of Part 7 of this document.

For the avoidance of doubt, the Directors have no current intention of issuing Ordinary Shares pursuant to such authority save for the purposes set out in this Document.

The Directors are aware that the net assets of the Company are half or less of its called-up share capital. The 2006 Act requires that a general meeting must be called to consider whether any, and if so what, steps should be taken to deal with that situation. The GM will consider this matter in addition to the Resolutions.

Action to be taken

A Form of Proxy is enclosed for your use at the GM. You are requested to complete, sign and return the Form of Proxy, whether or not you intend to be present at the GM, as soon as possible but, in any event, so as to arrive not later than 48 hours before the GM. The completion and return of a Form of Proxy will not preclude you from attending the GM and voting in person should you subsequently wish to do so.

Mr A Sheldrick, Mr K Virk, Mr R McKendrick and Central Corporate Finance, a limited liability partnership controlled by me, who hold in aggregate 12,777,861 Ordinary Shares representing 61.56 per cent of the Existing Ordinary Share capital have irrevocably undertaken to vote in favour of the Resolutions to be proposed at the GM.

Further Information

Your attention is drawn to Parts 2 to 7 of this Document, which provide additional information on the matters discussed above and, in particular, to the Risk Factors set out in Part 3.

Taxation

Information regarding United Kingdom taxation is set out in paragraph 10 of Part 7 of this Document.

Recommendation

The Directors consider the proposals set out in this Document to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Directors who hold, in aggregate, 8,527,861 Ordinary shares representing approximately 41.08 per cent of the issued ordinary share capital of the Company have irrevocably committed to the Vendors to vote in favour of the Resolutions to be proposed at the GM set out in the Notice of GM contained at the end of this Document.

The Directors unanimously recommend Shareholders to vote in favour of the Resolutions set out in the Notice of GM as they have irrevocably undertaken to do in respect of their own beneficial holdings of Ordinary shares referred to above.

Yours faithfully

Andrew Moore

Non-Executive Chairman

PART 2

Information on Combe Bank Homes Limited

1. Introduction

Combe Bank was incorporated on 20 November 2006 to undertake residential development in both new build, conversions and refurbishment. The founders, Christopher and Alexander Johnson, together with their support staff, have direct experience in the residential housing sector.

2. The Business

Combe Bank currently owns eight residential development sites. In common with many newly formed house building companies, activity in the first two years centred on land and property acquisition and the commencement of the development of sites acquired.

The Proposed Directors believe that land acquisition, at the right price, is key to the success of residential development. Combe Bank intends to concentrate on smaller unit number sites in order to avoid having to compete with larger developers, and acquire sites out of the reach of the small jobbing builder. Combe Bank's principal area of operation is the south-east of England i.e. the south-east M25 ring, Kent and East Sussex.

Combe Bank's *modus operandi* is to outsource the majority of its activities to third parties. All building and construction work is also outsourced.

3. Financing

The funding for the acquisition and development of land and property has typically been provided through Combe Bank's bankers who, subject to valuation, typically provide 60 per cent of the value of land and 60 per cent of the building cost, with the remainder being typically funded through Christopher Johnson's own resources. Combe Bank has facilities with its banks which enable it to purchase land and property, with or without planning permission. Where sites are acquired without planning permission, separate facilities are granted by Combe Bank's banks to finance the development of the site once planning permission has been granted and the development of the site is due to commence.

Combe Bank does not have an overdraft facility and all of its bank loans are site specific. The balance of funding required over and above that provided by the Combe Bank's bank for site acquisition and development and to service overheads is provided by Christopher Johnson and other sources.

4. Properties

Combe Bank's development programme is concentrated in Kent and embraces new build of detached, semi-detached, terraced and apartment units. The gross development value of the portfolio is estimated by the Proposed Directors, but is supported by valuations carried out on behalf of Combe Bank's banks. A summary of Combe Bank's development programme is set out below:

Oakhurst Manor and Oakhurst Lodge, Hildenborough, Kent.

This is Combe Bank's principal site, having been acquired in January 2007 with planning permission for residential development. The existing residential development was in the course of being improved by their predecessors in title. The current application was continued with and resulted in planning permission for 18,000 sq.ft. of residential development being granted, to be built on the footprint of a former nursing home, out of a total site area of some four acres. The development is under way.

In view of the fact that the Local Planning Authority, when granting the latest consent, requested that Combe Bank submit an affordable housing scheme for the site, the Proposed Directors, in consultation with Combe Bank's architects and planning consultant, have drawn up a revised scheme covering the entire site with approximately 80 affordable housing units, consisting of one, two and three bedroom flats and houses. The 80 unit scheme will provide for some 280 habitable rooms which will represent a substantial enhancement of the land value for the site.

The application for permission for the revised scheme was recently refused. Following the recommendation of the planning consultant the Proposed Directors are considering lodging an appeal against the refusal and, in the light of the advice received, believe the appeal will be successful. Should planning permission for the revised scheme not be granted, which the Proposed Directors do not believe will be the case, Combe Bank will continue with the development on the basis of the permission already obtained for 18,000 sq ft of residential units. In this event the Proposed Directors anticipate that the development's revenues should not be significantly affected.

67 High Street, Edenbridge, Kent

Combe Bank acquired this property with the benefit of planning permission for nine new build two bedroom apartments and a studio together with a cottage for re-furbishment and a retail shop. Development work is under way.

The Engineer Public House, Dover, Kent

As the name implies the site consists of a public house which was acquired with the intention of conversion into four apartments after obtaining planning permission. Permission was obtained not only for the apartments but also for a small detached property in the rear yard. Construction was completed in 2009. The completed development is fully let, pending future sale.

Square Hill Road, Maidstone, Kent

This development of six apartments was completed in 2009 and is currently fully let, pending future sale.

Sheerness, Kent

This site was acquired with planning permission for five one bedroom houses. Combe Bank submitted a revised planning application and has received consent for six two bedroom units on the site thereby increasing the land value. Development of this site will commence in the near future.

Ravenscourt Road, Deal, Kent

This site was acquired with the benefit of planning permission for three units, being a pair of semi-detached houses and a detached house of 2,900 sq.ft. in total. Combe Bank has achieved consent for enhanced planning permission to provide for six semi-detached

units which have been completed. Four of the units have been sold, and it is expected that the two remaining units will be sold during the current financial year.

Fermor Road, Crowborough, East Sussex

Combe Bank acquired a site with planning permission for one detached and a pair of semi-detached units in January 2010. Development work is complete and all three properties have been sold.

Stanhope Road, Dover, Kent

This site consists of a number of garages for which Combe Bank has been successful in obtaining permission for the construction of a small block of two apartments. On completion of the development the property was let, pending future sale.

Chalk Pit Hill, Chatham, Kent

Combe Bank has obtained planning permission for the construction of a small block of three town houses on this site. The site originally consisted of a small industrial unit used as a car repair shop and the price paid on acquisition reflected this. Development of this site will commence in the near future.

Completed Site

In addition to the developments referred to above, Combe Bank owns one other property situated at:

Stanhope Road, Dover, Kent.

This property was acquired to facilitate the grant of planning permission for the adjoining site referred to above. The property is tenanted at a rent reflecting a return in excess of Combe Bank's borrowing cost. It is proposed that the property will be sold in due course.

PART 3

Risk Factors

Before deciding whether to invest in the Ordinary Shares, prospective investors should carefully consider the risks described below which will apply to the Enlarged Group together with all other information contained in this Document. If any of the following risks actually occur, the Enlarged Group's business, financial condition and/or results of operations could be materially and adversely affected. In such case, an investor may lose all or part of his or her investment. Additional risks and uncertainties not currently known to the Directors and the Proposed Directors may also have an adverse effect on the Enlarged Group's business and the information set out below is not and does not purport to be an exhaustive summary of the risks affecting the Enlarged Group.

Future Payment of Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and shareholders of the Company and will depend, inter alia, on the Company's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Dependence on Management Team

The Company's success will depend on the retention of its Directors, managers and any future management team, and on its ability to continue to attract and retain highly skilled and qualified personnel. There can be no assurance that the Company will retain the services of any of its managers, Directors, or attract or retain any senior managers or skilled employees.

Illiquidity of the Property Market

The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the Enlarged Group's control. The Enlarged Group cannot predict whether it will be able to develop and/or sell its properties and land for the price or on the terms set by it, or whether the price or other terms offered by a prospective purchaser would be acceptable to it. Nor can the Enlarged Group predict the length of time needed to find a willing purchaser and to complete the sale of a property.

Construction and Development Risks

The Enlarged Group intends to develop and manage real estate, which will subject it to the general risks associated with construction and development projects. The Enlarged Group's development and construction activities may involve the following risks:

- the Enlarged Group may be unable to proceed with the development of properties because it cannot obtain financing on favourable terms;
- the Enlarged Group may incur construction costs for a project which exceed original estimates due to increased material, labour or other costs, which could make completion of the project uneconomical because the Enlarged Group may not be able to increase rents to compensate for the increase in construction costs;
- the Enlarged Group may be unable to obtain, or face delays in obtaining required land-use, building occupancy and other governmental and local authority permits and authorizations, which could result in increased costs and could require the Enlarged Group to abandon its activities entirely with respect to a project;

- the Enlarged Group may be unable to complete construction and leasing of a property on schedule, resulting in increased debt service expense and construction or renovation costs and may result in termination of existing investment agreements, resulting in claims by third parties for damages and termination of the respective land leases;
- the growth of the Enlarged Group's business is dependent upon the ability of the Enlarged Group to acquire good development sites at competitive prices. There can be no assurance that the Enlarged Group will be able to identify land suitable for development or, if it does identify such land, that such land will be available at a price that is acceptable to the Enlarged Group or that will facilitate the profitable development of the land by the Enlarged Group;
- the Enlarged Group may face significant competition for land from other property developers or other purchasers of potential development sites. Competition for land may lead to the prices of land being driven up and this would have an adverse effect upon the Enlarged Group's business;
- the Enlarged Group may lease developed properties at below expected rental rates; and
- occupancy rates and rents at newly completed properties may fluctuate depending on a number of factors, including market and economic conditions, and may result in the Enlarged Group's investment not being profitable.

Any negative change in one or more of these factors listed above could adversely affect the business, financial condition and results of operations of the Enlarged Group.

Economic Risk

Any future property market recession could materially adversely affect the value of the Enlarged Group's properties and its ability to develop them. Returns from the Enlarged Group's investments in property depend largely upon the amount of rental income generated from a particular property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value. Rental income and the Enlarged Group's properties and their market value are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates.

Potential Environmental Liability

Under UK and local laws, ordinances and/or regulations, an owner of real property may be liable for the cost of removal or remediation of certain hazardous or toxic substances on or in any such property. Such laws may impose liability without regard to whether the owner knew of, or was responsible for, the existence of any such substances. The owner's liability as to any property is generally not limited under such laws and could exceed the value of the property. The presence of such substances and/or the failure to remediate contamination properly from such substances may adversely affect the owner's ability to sell the property or to borrow funds using such property as collateral. This, in turn, could have an adverse effect on the Enlarged Group's financial position.

Impact of Law and Governmental Regulation

Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The Enlarged Group must comply with current and future UK regulations relating to planning, land use and development standards (including building regulations). The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Enlarged Group's assets.

Planning Permission

The Enlarged Group's ability to develop the land it currently owns, or land it may acquire in the future, is dependent on gaining appropriate planning permission. There can be no guarantee that the Enlarged Group will be able to obtain such planning permission and, accordingly, the Enlarged Group may not be able to use land for development. Also, any changes in the current planning legislation may have an adverse impact on the business of the Enlarged Group.

Liquidity and Marketability of Shares

The prices of publicly quoted securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others of which are specific to the Company. In addition, the market for shares in smaller public companies is less liquid than for larger companies. Therefore, an investment in the Ordinary Shares may be difficult to realize and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

If any of the risks referred to in this Part 3 crystallise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the value or price of its shares could decline and investors may lose all or part of their investment.

The investment detailed in this Document may not be suitable for all of its recipients and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments of the kind described in this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

PART 4

Financial Information on Trafalgar New Homes Plc



The Directors
Trafalgar New Homes Plc
3 Caroline Court
13 Caroline Street
Birmingham
B3 1TR

Rochesters Audit Services Ltd
Registered Auditors
No 3 Caroline Court
13 Caroline Street
St Paul's Square
Birmingham B3 1TR

13 October 2011

The Directors
SVS Securities Plc
21 Wilson Street
London
EC2M 2SN

Dear Sirs

TRAfalgar New homes plc ("the Company")

INTRODUCTION

We report on the financial information set out below relating to the Company. This information has been prepared for inclusion in the PLUS admission document dated 13 October 2011 ("admission document") relating to the proposed re-admission to the PLUS-quoted market operated by PLUS Stock exchange PLC ("PLUS") prepared by the Company. This report is given for the purpose of complying with Paragraph 26 of Appendix 1 of the PLUS Rules for Issuers and for no other purpose.

RESPONSIBILITY

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in the notes to the financial information and in accordance with the financial reporting framework.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the admission document, and to report our opinion to you.

Save for any responsibility arising under Paragraph 26 Appendix 1 of the PLUS Rules for Issuers to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph 26 Appendix 1 of the PLUS Rules for Issuers, consenting to its inclusion in the admission document.

BASIS OF OPINION

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the financial information.

OPINION

In our opinion the financial information gives, for the purposes of the PLUS admission document dated 13 October 2011, a true and fair view of the state of Company's affairs as at the day after the Company comes out of administration ("Admin + 1"), 31 March 2009, 31 March 2008 and 31 March 2007 and of its results, cash flows and statements of changes in equity for the periods then ended (except for the period post 31 March 2009) in accordance with the basis of preparation and in accordance with the applicable financial reporting framework as set out in note 1.

The financial information does not include a profit and loss account or cash flow statement for the period subsequent to 31 March 2009. No audited financial statements have, as of yet, been prepared for the period post 31 March 2009 and PLUS have agreed that this re-admission document does not need to include such information, provided that a balance sheet post-administration is included.

The audit report on the financial statements for the year ended 31 March 2009 contained an emphasis of matter paragraph in respect of going concern. On the basis of a successful Company Voluntary Arrangement being implemented and adequate funding being raised on re-admission to PLUS, such modification would cease to apply providing that the Company has moved back into a position of positive net assets.

Yours faithfully

Rochesters Audit Services Ltd
Reporting Accountants

PROFIT AND LOSS ACCOUNTS

	Notes	Year ended 31 March 2009 £	Year ended 31 March 2008 £	Year ended 31 March 2007 £
TURNOVER		-	-	-
Administrative expenses		91,492	72,572	14,857
OPERATING LOSS		(91,492)	(72,572)	(14,857)
Interest payable and similar charges	3	23,645	6,024	1,249
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(115,137)	(78,597)	(16,106)
Tax on loss on ordinary activities	4	-	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(115,137)	(78,597)	(16,106)
Earnings per share expressed in pence per share:	5			
Basic		-1.32	-1.17	-0.25
Diluted		-1.32	-1.17	-0.25

BALANCE SHEETS

	Notes	As at end of Administration	Year ended 31 March 2009	Year ended 31 March 2008	Year ended 31 March 2007
		£	£	£	£
Fixed assets					
Tangible assets	6	-	475	633	844
Current assets					
Stocks	7	-	1,846,570	1,347,486	1,241,020
Debtors	8	-	17,358	14,821	4,375
Cash at bank		-	1,848	-	-
		-	1,865,776	1,362,307	1,245,395
Creditors: amounts falling due within one year	9	53,828	1,825,989	1,227,681	1,032,383
Net current (liabilities) / assets		(53,828)	39,787	134,626	213,012
Total assets less current liabilities		(53,828)	40,262	135,259	213,856
Creditors: amounts falling due after more than one year		-	-	-	-
Total assets less total liabilities		(53,828)	40,262	135,259	213,856
Capital and reserves					
Called up share capital	12	207,575	87,575	67,435	67,435
Share premium	13	594,393	194,393	194,393	194,393
Profit and loss account	15	(855,796)	(241,706)	(126,569)	(47,972)
Shareholders' funds		(53,828)	40,262	135,259	213,856

The accompanying notes form an integral part of this financial information.

**CASH FLOW
STATEMENTS**

	Notes	Year ended 31 March 2009 £	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Net cash outflow from operating activities	19	(511,698)	(142,349)	(192,100)
Returns on investments and servicing of finance	20	(23,645)	(6,024)	(1,249)
		(535,343)	(148,373)	(193,349)
Financing	20	551,720	127,932	188,280
Decrease in cash in period		16,377	(20,441)	(5,069)
<hr/>				
Reconciliation of net cash flow to movement in net debt	21			
Decrease in cash in the period		16,377	(20,441)	(5,069)
Cash outflow / (inflow) from decrease / (increase) in debt		(561,616)	233,628	(93,297)
Change in net debt resulting from cash flows		(545,239)	213,187	(98,366)
Movement in net debt in the period		(545,239)	213,187	(98,366)
Net debt at 1 April		(776,168)	(989,355)	(890,989)
<hr/>				
Net debt at 31 March		(1,321,407)	(776,168)	(989,355)

NOTES TO THE COMPANY'S FINANCIAL INFORMATION

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on reducing balance

Work in progress

Work in progress is estimated at the lower of cost and net realisable value. When it is expected that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Estimates

In application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only the period or on the period of the revision and future payments if the revision affects both current and future periods.

The key assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are in respect of work in progress. The determination as to whether a contract is expected to make a loss in the future is based on independent professional valuers utilising intrinsic methods of valuation and on the Directors estimation and knowledge of anticipated profit generation.

2. Profit and loss account

The company was entered into administration on the 8 July 2010, and so whilst the company traded between 1 April 2009 and 7 July 2010 no results were prepared for the year to 31 March 2010, or the period between April 2010 and 7 July 2010.

3	Interest payable and similar charges	As at	As at	As at
		31 March 2009	31 March 2008	31 March 2007
		£	£	£

Bank interest	4,510	6,024	1,249
Interest on directors loan	11,859	-	-
Other interest	7,276	-	-
	<hr/>	<hr/>	<hr/>
	23,645	6,024	1,249

4. Taxation.

There were no tax charges in any of the periods and no taxable losses carried forward exist.

5 Earnings per share

	Earnings £	Weighted average no of shares	Per-share Amount (pence)
Year ended 31 March 2009			
Basic EPS			
Earnings attributable to ordinary shareholders	(115,137)	8,718,894	-1.32
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(115,137)	8,718,894	-1.32
Year ended 31 March 2008			
Basic EPS			
Earnings attributable to ordinary shareholders	(78,597)	6,743,519	-1.17
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(78,597)	6,743,519	-1.17
Year ended 31 March 2007			
Basic EPS			
Earnings attributable to ordinary shareholders	(16,106)	6,399,852	-0.25
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(16,106)	6,399,852	-0.25

6. Fixed Assets (Fixtures & fittings)	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
Cost				
Brought forward	1,500	1,500	1,500	1,500
Additions	-	-	-	-
Disposals	(1,500)			
Carried forward	-	1,500	1,500	1,500
Depreciation				
Brought forward	1,025	867	656	375
Charge for year	-	158	211	281
Eliminated on disposals	(1,025)	-	-	-
Carried forward	-	1,025	867	656
Net book value	-	475	633	844

On entering administration the fixtures and fittings were scrapped for £Nil consideration.

7. Stock	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
Work in progress	-	1,846,570	1,347,486	1,241,021

Work in progress is valued at cost.

8. Debtors	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
Other debtors	-	1,468	1,468	328
VAT	-	5,434	2,649	372
Prepayments	-	10,456	10,704	3,675
	-	17,358	14,821	4,375

9.	Creditors: amounts falling due within one year	As at	As at	As at	As at
		Admin + 1	31 March 2009	31 March 2008	31 March 2007
		£	£	£	£
	Bank loans and overdrafts	53,828	1,323,255	776,168	989,355
	Trade creditors	-	80,606	32,205	11,009
	Other creditors	-	32,856	-	-
	Directors current accounts	-	361,272	391,308	29,748
	Accrued expenses	-	28,000	28,000	2,271
		<u>53,828</u>	<u>1,825,989</u>	<u>1,227,681</u>	<u>1,032,383</u>

10. Loans

An analysis of the maturity of loans is given below:

	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
Falling due within 1 year or on demand:				
	Bank overdrafts	53,828	36,639	51,168
	Bank loans	-	1,286,616	725,000
		<u>53,828</u>	<u>1,323,255</u>	<u>776,168</u>
				<u>989,355</u>

11. Secured debts

The following secured debts are included within other creditors:

	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
	Bank overdrafts	53,828	36,639	51,168
	Bank loans	-	1,286,616	725,000
	Directors current account	-	325,000	-
		<u>53,828</u>	<u>1,648,255</u>	<u>776,168</u>
				<u>989,355</u>

12. Called up share capital	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
Authorised:				
Ordinary shares of £0.01	N/A	200,000	200,000	200,000
Allotted, called up and fully paid:				
As at 1 April 2006				
Allotted £0.01 shares	5,918,719			59,187
In year to 31 March 2007				
Allotted for cash at par	309,300			3,093
Allotted for cash at £0.22 ps	515,500			5,155
As at 31 March 2007 and 2008	6,743,519			67,435
In year to 31 March 2009				
Allotted for cash at par	2,014,000			20,140
As at 31 March 2009	8,757,519			87,575
In period from 1 April 2009 to Admin + 1	2,000,000			20,000
Issued for CVA costs at par				
CVA issue to creditors at £0.05 per share	10,000,000			100,000
As at Admin + 1	20,757,519			207,575

13. Share premium	As at	As at	As at	As at
	Admin + 1	31 March 2009	31 March 2008	31 March 2007
	£	£	£	£
At 1 April	194,393	194,393	194,393	99,124
Premium on shares issued in period	400,000	-	-	95,269
Share premium at Period End	594,393	194,393	194,393	194,393

14. Share capital transactions

On 30 November 2010 the company passed a special resolution revoking the limitation on authorised share capital, as permitted under section 9 of the Companies Act 2006.

Under the terms of the CVA agreed by the administrator the Company issued 10,000,000 1p shares at 5p to its creditors on 8 August 2011, in full and final settlement of the total outstanding debts of £600,816. The total par value of the share issue was £100,000 and the total share premium raised was £400,000.

15. Profit and loss reserves

	As at Admin + 1	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007
	£	£	£	£
At 1 April	(241,706)	(126,569)	(47,972)	(31,866)
Deficit in period	(694,906)	(115,137)	(78,597)	(16,106)
Write off on entry into administration	80,816	-	-	-
At Period End	(855,796)	(241,706)	(126,569)	(47,972)

16. Related party transactions

Mr K Virk, a significant shareholder of the Company, is the controlling party of SVS Securities Plc.

During the year to 31 March 2007, the Company paid a fee of £5,625 SVS Securities Plc.

During the year to 31 March 2009, the Company paid a fee of £10,000 to SVS Securities Plc.

In the year to March 2009 R McKendrick (the director) recharged to the Company £61,244 (2008: £54,766) for business expenditure incurred by himself on its behalf.

In 2008 R McKendrick personally discharged a company bank loan of £335,000.

The amount owing to R McKendrick at 31 March 2008 was £361,560 and at 31 March 2009 the amount was £331,524.

17. Controlling party

From 1 April 2006 to the time the Company left administration, no single party had control of the Company.

18. History

The Company was incorporated on 14 December 2001 and development commenced in the period ended 31 March 2006.

On 7 December 2005, the Company was admitted onto OFEX (now called PLUS Stock Exchange plc) and its shares commenced trading on the same day.

On 8 July 2010 the Company was entered into administration.

19. Reconciliation of operating loss to net cash outflow from operating activities.

	As at 31 March 2009 £	As at 31 March 2008 £	As at 31 March 2007 £
Operating loss	(91,492)	(72,573)	(14,857)
Depreciation charges	158	211	281
Increase in stocks	(499,084)	(106,466)	(158,970)
Increase in debtors	(2,537)	(10,466)	657
Increase in creditors	<u>81,257</u>	<u>46,925</u>	<u>(19,211)</u>
	<u>(511,698)</u>	<u>(142,349)</u>	<u>(192,100)</u>

20. Analysis of Cash flows for headings netted in the cash flow statement

	As at 31 March 2009 £	As at 31 March 2008 £	As at 31 March 2007 £
Returns on investments and servicing of finance			
Interest paid	<u>(23,645)</u>	<u>(6,024)</u>	<u>(1,249)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(23,645)</u>	<u>(6,024)</u>	<u>(1,249)</u>
Financing			
New loans in year	561,616	725,000	93,297
Loan repayments in year	-	(958,628)	-
Amount introduced by director	10,000	361,560	-
Amount withdrawn by director	(40,036)	-	(8,534)
Share issue	20,140	-	8,248
Share premium	<u>-</u>	<u>-</u>	<u>95,269</u>
Net cash inflow from financing	<u>551,720</u>	<u>127,932</u>	<u>188,280</u>

21. Analysis of changes in net debt

Year to 31 March 2009	At 1 April £	Cashflow £	At 31 March £
Net cash:			
Cash at bank	-	1,848	1,848
Bank overdraft	<u>(51,168)</u>	<u>14,529</u>	<u>(36,369)</u>
	<u>(51,168)</u>	<u>16,377</u>	<u>(34,791)</u>
Debt			
Debts falling due within one year	<u>(725,000)</u>	<u>(561,616)</u>	<u>(1,286,616)</u>
	<u>(725,000)</u>	<u>(561,616)</u>	<u>(1,286,616)</u>
Total	<u>(776,168)</u>	<u>(545,239)</u>	<u>(1,321,407)</u>
Year to 31 March 2008	At 1 April £	Cashflow £	At 31 March £
Net cash:			
Cash at bank	-	-	-
Bank overdraft	<u>(30,727)</u>	<u>(20,441)</u>	<u>(51,168)</u>
	<u>(30,727)</u>	<u>(20,441)</u>	<u>(51,168)</u>
Debt			
Debts falling due within one year	<u>(958,628)</u>	<u>233,628</u>	<u>(725,000)</u>
	<u>(958,628)</u>	<u>233,628</u>	<u>(725,000)</u>
Total	<u>(989,355)</u>	<u>213,187</u>	<u>(776,168)</u>
Year to 31 March 2007	At 1 April £	Cashflow £	At 31 March £
Net cash:			
Cash at bank	-	-	-
Bank overdraft	<u>(25,658)</u>	<u>(5,069)</u>	<u>(30,727)</u>
	<u>(25,658)</u>	<u>(5,069)</u>	<u>(30,727)</u>

Debt			
Debts falling due within one year	<u>(865,331)</u>	<u>(93,297)</u>	<u>(958,628)</u>
	<u>(865,331)</u>	<u>(93,297)</u>	<u>(958,628)</u>
Total	<u>(890,989)</u>	<u>(98,366)</u>	<u>(989,355)</u>

PART 5

Financial Information on Combe Bank Homes Limited

The following information on Combe Bank has been extracted, without amendment, from the Reports and Accounts of Combe Bank for the three financial years ended 30 November 2010. The Reports of the Auditors on the financial statements for each of these years are reproduced at the end of the Part 5.

1. Profit and loss Accounts

	Notes	Year ended 30 November 2010	Year ended 30 November 2009	Year ended 30 November 2008
		£	£	£
Turnover		326,550	1,391,500	391,360
Cost of sales		1,104,025	1,479,690	397,429
Gross loss		(777,475)	(88,190)	(6,069)
Administrative expenses		156,749	190,708	331,138
		(934,224)	(278,898)	(337,207)
Other operating income		92,714	32,692	14,088
Operating loss	2	(841,510)	(246,206)	(323,119)
Interest receivable and similar income		227	2,120	16,736
		(841,283)	(244,086)	(306,383)
Interest payable and similar charges		61,817	49,542	45,000
Loss on ordinary activities before taxation		(903,100)	(293,628)	(351,383)
Tax on loss on ordinary activities	3	-	-	-
Loss for the financial year		(903,100)	(293,628)	(351,383)

2. Balance Sheets

	Notes	30 November 2010	30 November 2009	30 November 2008
		£	£	£
Fixed Assets				
Tangible assets	4	529	706	286
Current Assets				
Stocks		6,934,734	6,308,482	6,973,557
Debtors	5	54,113	60,472	57,211
Cash at bank and in hand		271,665	338,024	445,753
		7,260,512	6,706,978	7,476,521
Creditors				
Amounts falling due within one year	6	24,090	28,610	49,966
Net Current Assets		7,236,422	6,678,368	7,426,555
Total Assets less Current Liabilities		7,236,951	6,679,074	7,426,841
Creditors				
Amounts falling due after	7	9,010,377	7,649,398	8,103,537

more than one year				
Net Liabilities		(1,773,426)	(970,324)	(676,696)
Capital and Reserves				
Called up share capital	9	100,000	2	2
Profit and loss account	10	(1,873,426)	(970,326)	(676,698)
Shareholders' Funds		(1,773,426)	(970,324)	(676,696)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents sale of properties which are recognised upon legal completion.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on reducing balance.

Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes material costs, subcontractor labour and capitalised interest on associated borrowings up until the completion of the properties.

During the year ended 30 November 2011 a revaluation of the property portfolio took place and a revaluation loss is shown as a result of this in the profit and loss account for the year.

Pension Costs and other Post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going Concern

The accounts have been prepared on a Going Concern Basis on the grounds that Mr C Johnson together with the bank has undertaken to provide the necessary financial support.

2. Operating Loss

The operating loss is stated after charging:

	£	£	£
	2010	2009	2008
Depreciation – owned assets	177	235	96
Directors' remuneration and other benefits etc	31,000	56,478	149,985
Auditor's remuneration	2,500	2,500	2,500
The number of directors to whom retirement benefits were accruing was as follows:			
Defined benefit schemes	1	1	1

3. Interest Receivable and Similar Income

	£	£	£
	2010	2009	2008
Deposit Account Interest	227	2,120	16,736

4. Interest payable and Similar Charges

Interest payable and similar charges includes the following;

	£	£	£
	2010	2009	2008
Bank Interest	4,817	42	-
Other loan interest	57,000	49,500	45,000

5. Taxation

On the basis of these financial statements, no provision has been made for corporation tax.

The company has estimated losses of £1,832,696 (2009: £940,602) (2008: £654,576) available to carry forward against future trading profits.

6. Tangible Fixed Assets

	Plant and Machinery
	£
Cost at 1 December 2008	510
Additions	655
Cost at 1 December 2009 and 30 November 2010	1,165
Depreciation at 1 December 2008	224
Charge for year	235
Depreciation at 1 December 2009	459
Charge for year	177
At 30 November 2010	636
Net book value at 30 November 2010	529
Net book value at 30 November 2009	706
Net book value at 30 November 2008	286

7. Debtors: Amounts Falling Due Within One Year

	£	£	£
	2010	2009	2008
Other debtors	54,113	60,472	57,211

8. Creditors: Amounts Falling Due Within One Year

	£	£	£
	2010	2009	2008
Trade creditors	10,316	14,959	10,412
Taxation and social security	3,563	3,515	6,407

Other creditors	10,211	10,136	33,147
	24,090	28,610	49,966

9. Creditors: Amounts Falling Due After More than One Year

	£	£	£
	2010	2009	2008
Bank loans	3,939,612	3,279,578	3,769,073
Other creditors	5,070,765	4,369,820	4,334,464

10. Secured Debts

	£	£	£
	2010	2009	2008
The following secured debts are included within creditors:			
Bank loans	3,939,612	3,279,578	3,769,073
The bank loans are secured by way of a charge over the assets of the company.			

11. Called Up Share Capital

Allotted, Issued and Fully Paid			
Number	Class	Nominal Value	£
100,000 (2009 – 2)(2008 – 2)	Ordinary	£1	100,000 (2009 – 2) (2008 – 2)

99,998 ordinary shares of £1 each were allotted and fully paid for cash at par during the year ended 30 November 2010 (2009 nil – 2008 nil).

12. Reserves

	Profit and Loss Account
	£
As at 1 December 2008	(676,698)
Deficit for the year	(293,628)
As at 1 December 2009	(970,326)
Deficit for the year	(1,080,965)
As at 30 November 2010	(2,051,291)

13. Related Party Disclosures

Included in creditors falling due after more than one year is a sum of £4,590,766 (2009: £4,039,819 – 2008: £4,044,464) owed to Mr C Johnson, a director of the company.

During the year rent of £7,518 (2009: £7,518 – 2008: £10,003) was paid to the Combe Bank Homes Pension Fund of which Mr C Johnson and Mr A Johnson are beneficiaries. The company is also owed £1,000 (2009: £1,000 – 2008: £nil) from the Pension Fund in respect of service charges owed as at the year end.

No sales of property were made during the year to 30 November 2010 to any Director. Turnover for the year to 30 November 2009 includes a sale of a property for the sum of £210,000 (2008: £nil) to Mr C Johnson at market value in accordance with independent valuations obtained.

REPORTS OF THE AUDITORS ON THE FINANCIAL STATEMENTS OF COMBE BANK HOMES FOR THE THREE YEARS ENDED 30 NOVEMBER 2010

A. REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF COMBE BANK HOMES LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

We have audited the financial statements of Combe Bank Homes Ltd for the year ended 30 November 2010 on pages for to eight. The financial reporting framework that has been applied in their preparation is applicable law and the Financial reporting standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion of financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the companies Act 2006.

Opinion on other matters prescribed by the companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the report of the directors in accordance with the small companies regime.

Jackie Wilding (Senior Statutory Auditor)
For and on behalf of Bryden Johnson
Statutory auditors
Chartered Accountants
1-4 Lower Coombe Street
Croydon
Surrey
CR0 1AA

Date: 28 July 2011

B. REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF COMBE BANK HOMES LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2009

We have audited the financial statements of Combe Bank Homes Ltd for the year ended 30 November 2009 on pages for to eight. The financial reporting framework that has been applied in their preparation is applicable law and the Financial reporting standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion of financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the companies Act 2006.

Opinion on other matters prescribed by the companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the report of the directors in accordance with the small companies regime.

Jackie Wilding (Senior Statutory Auditor)

For and on behalf of Bryden Johnson

Statutory auditors

Chartered Accountants

1-4 Lower Coombe Street

Croydon

Surrey

CRO 1AA

Date: 19 August 2010

C. REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF COMBE BANK HOMES LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2008

We have audited the financial statements of Combe Bank Homes Ltd for the year ended 30 November 2008 on pages five to ten. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 November 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Bryden Johnson
Statutory Auditors
Chartered Accountants
Lower Coombe Street
Croydon
Surrey
CR0 1AA

Date: 21 July 2011.

Interim Financial Information on Combe Bank Homes Limited

The following information on Combe Bank has been extracted, without amendment, from the Report of the Directors and Financial Statements for the Period 1 December 2010 to 31 May 2011 for Combe Bank Homes Ltd.

COMBE BANK HOMES LTD (REGISTERED NUMBER: 6003791)

REPORT OF THE DIRECTORS for the Period 1 December 2010 to 31 May 2011

The directors present their report with the financial statements of the company for the period 1 December 2010 to 31 May 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of Property Developers.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2010 to the date of this report.

C C Johnson
A Johnson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in

business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bryden Johnson, were appointed auditors to the company and in accordance with section 485 of Companies Act 2006, a resolution proposing that they be re-appointed will be put at a general meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

C C Johnson - Director

Date: 31 August 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF COMBE BANK HOMES LTD

We have audited the financial statements of Combe Bank Homes Ltd for the period ended 31 May 2011 on pages four to nine. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with

the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

Jackie Wilding (Senior Statutory Auditor)
 for and on behalf of Bryden Johnson
 Statutory Auditors
 Chartered Accountants
 Lower Coombe Street
 Croydon
 Surrey
 CR0 1AA

Date: 31 August 2011

PROFIT AND LOSS ACCOUNT for the Period 1 December 2010 to 31 May 2011

	Notes	Period 1.12.10 to 31.5.11	Year Ended 30.11.10
		£	£
Turnover		645,000	326,550
Cost of sales		282,627	1,104,025
Gross profit/(loss)		362,373	(777,475)
Administrative expenses		85,034	156,749
		277,339	(934,224)
Other operating income		52,318	92,714
Operating profit/(loss)	2	329,657	(841,510)
Interest receivable and similar income	3	83	227
		329,740	(841,283)
Interest payable and similar charges	4	245	61,817
Profit/(loss) on ordinary activities before taxation		329,495	(903,100)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial period		329,495	(903,100)

BALANCE SHEET 31 May 2011

	Notes	31.5.11	30.11.10
		£	£
Fixed Assets			
Tangible assets	6	2,070	529
Current Assets			
Stocks	7	7,054,938	6,934,734
Debtors	8	57,334	54,113
Cash at bank and in hand		386,189	271,665
		7,498,461	7,260,512
Creditors			
Amounts falling due within one year	9	26,385	24,090
Net Current Assets		7,472,076	7,236,422
Total Assets less Current Liabilities		7,474,146	7,236,951
Creditors			
Amounts falling due after more than one year	10	8,918,077	9,010,377
Net Liabilities		(1,443,931)	(1,773,426)
Capital and Reserves			
Called up share capital	12	100,000	100,000
Profit and loss account	13	(1,543,931)	(1,873,426)
Shareholders' Funds		(1,443,931)	(1,773,426)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 31 August 2011 and were signed on its behalf by:

C C Johnson - Director

A Johnson - Director

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 December 2010 to 31 May 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents sale of properties which are recognised upon legal completion.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes material costs, subcontractor labour, and capitalised interest on associated borrowings up until the completion of the properties.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going Concern

The accounts have been prepared on a Going Concern Basis on the grounds that Mr C Johnson together with the Bank have undertaken to provide the necessary financial support.

2. OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging:

	£	£
	Period 1.12.10 to 31.5.11	Year Ended 30.11.10
Depreciation – owned assets	230	177
Directors' remuneration and other benefits	15,475	31,000
Auditor's remuneration	3,000	2,500
Directors' remuneration and other benefits etc	6,475	13,000
The number of directors to whom retirement benefits were accruing was as follows:		
Defined benefit schemes	1	1

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	£	£
	Period 1.12.10 to 31.5.11	Year Ended 30.11.10
Deposit account interest	83	227

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	£	£
	Period 1.12.10 to 31.5.11	Year Ended 30.11.10
Bank Interest	245	4,817
Other loan interest	-	57,000
	245	61,817

5. TAXATION

On the basis of these financial statements, no provision has been made for corporation tax.

The company has losses of £1,495,215 (2010 £1,832,696) available to carry forward against future trading profits.

6. TANGIBLE FIXED ASSETS

	Plant and Machinery £
COST	
At 1 December 2010	1,165
Additions	1,770
At 31 May 2011	2,935
DEPRECIATION	
At 1 December 2010	635
Charge for period	230
At 31 May 2011	865
NET BOOK VALUE	
At 31 May 2011	2,070
At 30 November 2010	530

7. STOCKS

	£	£
	31.5.11	30.11.10
Work-in-progress	7,054,938	6,934,734

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
	31.5.11	30.11.10
Other debtors	57,334	54,113

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
	31.5.11	30.11.10
Trade creditors	14,698	10,316
Taxation and social security	5,275	3,563
Other creditors	6,412	10,211
	26,385	24,090

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£	£
	31.5.11	30.11.10
Bank loans	3,751,327	3,939,612
Other creditors	5,166,750	5,070,765
	8,918,077	9,010,377
Analysis of loan		
Total amounts falling due after 5 years and not repayable by instalments	4,686,750	4,369,820

11. SECURED DEBTS

The following secured debts are included within creditors:

	£	£
	31.5.11	30.11.10
Bank loans	3,751,327	3,939,612

12. CALLED UP SHARE CAPITAL

Allotted, Issued and Fully Paid:			31.5.11	30.11.10
Number:	Class:	Nominal Value:	£	£
100,000	Ordinary	£1	100,000	100,000

13. RESERVES

	Profit and Loss Account
	£
At 1 December 2010	(1,873,426)
Profit for the period	329,495
At 31 May 2011	(1,543,931)

14. RELATED PARTY DISCLOSURES

Loans from Directors

Transactions in relation to loans with directors during the year are outlined in the table below:-

	% rate	Opening Balance	Amounts Advanced	Closing Balance
		£	£	£
Mr C Johnson	100%	4,039,819	646,930	4,686,749

Other debtors includes £1,000 (2010: £1,000) in respect of service charges owed to the company by the Combe Bank Homes Pension Fund.

Also, included in the profit and loss account, is rent for the sum of £3,759 (2010: £7,518) paid to the pension fund. Mr C Johnson and Mr A Johnson are beneficiaries of Combe Bank Homes Pension Fund.

During the period, a property sale of £125,000 (2010: nil) was made to Mr C Johnson, a director of Combe Bank Homes Ltd. The property was sold at market value in accordance with independent valuations obtained.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr C Johnson by virtue of his shareholding.

PART 6

Unaudited Pro Forma Statement of Net Assets of the Enlarged Group

Letter from Rochesters Audit Services Ltd



The Directors
Trafalgar New Homes Plc
No 3 Caroline Court
13 Caroline Street
St Paul's Square
Birmingham B3 1TR

The Directors
SVS Securities Plc
21 Wilson Street
London
London EC2M 2SN

Rochesters Audit Services Ltd
Registered Auditors
No 3 Caroline Court
13 Caroline Street
St Paul's Square
Birmingham B3 1TR

13 October 2011

Dear Sirs

Trafalgar New Homes Plc

We report on the unaudited pro forma statement of net assets of Trafalgar New Homes plc (the "Company") and Combe Bank Homes Limited ("Combe Bank") (together the "Enlarged Group") and the accompanying explanatory notes (the "unaudited pro forma statement of net assets"). The pro forma statement of net assets, which has been prepared for illustrative purposes only to provide information on how the acquisition might have affected the financial information presented, is set out in Part 6 of the Circular to shareholders dated 13 October 2011.

Responsibilities

It is the responsibility solely of the directors of the Company and Combe Bank to prepare the pro forma financial information.

It is our responsibility to form an opinion as to the proper compilation of the unaudited pro forma statement of net assets and to report our opinion to you.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the unaudited pro forma statement of net assets, nor do we accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma statement of net assets with the directors and the proposed directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the unaudited pro forma statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully,

Rochesters Audit Services Ltd

Reporting Accountant

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Pro forma statement

The following unaudited pro forma statement of net assets of the Enlarged Group following the completion of the Acquisition has been prepared for illustrative purposes only to provide information about the impact of the Acquisition and, because of its nature, may not give a true reflection of the financial position of the Group. It has been prepared on the basis that the Acquisition occurred on 9 November 2011 and on the basis set out in the notes.

	Notes	The Company	Combe Bank	Adjustments (Note iv)	The Enlarged Group
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets		-	2	-	2
Current Assets					
Stocks		-	7,055	-	7,055
Debtors		-	57	-	57
Deposits and cash			386	-	386
VAT			-	-	-
Total Assets		-	7,500	-	7,500
Current Liabilities					
Creditors: amounts falling due within one year	i	27	21	-	48
Taxation		-	5	-	5
Wages		-	-	-	-
		27	26	-	53
Total Assets less Current Liabilities		(27)	7,474	-	7,447
Long Term Liabilities					
Creditors: amounts falling due after more than one year	i	27	8,918	-	8,945
Net Liabilities		54	1,444	-	1,498

Notes to the pro forma information

- (i) The creditors of the Company represent a bank loan repayable in 24 equal monthly instalments.
- (ii) The net assets of the Company have been extracted from Part 4 of this Document and adjusted for the negotiated split of the bank loan per note (i) above.
- (iii) The net assets of Combe Bank have been extracted without adjustment from the six month interim accounts to 31 May 2011 included in Part 5 of this Document. No account has been taken of the activities of Combe Bank since 31 May 2011.

- (iv) The adjustment assumes Trafalgar New Homes Ltd acquires all of the £100,000 of ordinary share capital of Combe Bank Homes Ltd by issuing 186,817,671 Ordinary 1p shares at a price of 1.2p. Using the Balance Sheets above, such a transaction would give rise to goodwill on consolidation of circa £3.69m for the enlarged group. This goodwill would be subject to an impairment review, and due to the insolvent balance sheets of both companies, would most likely be written off in its entirety. Hence, there would be no impact on the net assets of the company as shown above.

PART 7

Additional Information

1. Trafalgar New Homes Plc

- 1.1 The Company was incorporated on 14 December 2001 and is registered in England with registered number 4340125 as a public company limited by shares.
- 1.2 The liability of the members of the Company is limited.
- 1.3 The Company has an unlimited life.
- 1.4 The registered office of the Company is at 3 Caroline Court, 13 Caroline Street, Birmingham B3 1TR.
- 1.5 The Company has a wholly owned subsidiary called Trafalgar Distributions Limited, which was registered in England and Wales with registered number 07290246.

2. Responsibility

The Directors and Proposed Directors, whose names appear on page 6 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

3. Share Capital

- 3.1 The Company's existing issued share capital as at the date of this Document is as follows:

Issued and Fully Paid	
Amount	Number (£0.01)
£207,575.19	20,757,519

- 3.2 The Company is proposing that

- 3.2.1 the Directors of the Company be generally and (save as hereinafter specified) unconditionally authorised for the purpose of section 551 of the 2006 Act in substitution for all existing and unexercised authorities, to exercise all or any of the powers of the Company to allot relevant securities (as defined in that section) up to a maximum nominal amount of £2,450,000 provided that such authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2012 or 15 months after the passing of the resolution granting such authority (if earlier), unless renewed or extended prior to such time provided always that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by such resolution had not expired; and

3.2.2 the Directors of the Company be empowered pursuant to section 571 of the 2006 Act, in substitution for all existing and unexercised authorities, to allot equity securities for cash pursuant to the authority conferred on them by the resolution referred to in paragraph 3.2.2 above as if section 561 of the 2006 Act did not apply to such allotment, provided that such power be limited (i) to the issue of equity securities with an aggregate nominal amount of £68,000 in respect of the Adviser Shares, and (ii) to the issue of equity securities with an aggregate nominal amount of £513,824 (representing approximately 26.8 per cent of the Enlarged Share capital of the Company) and that such power shall expire on the date of the Annual General Meeting of the Company to be held in 2012 or (if earlier) 15 months from the date of the passing of such resolution save that the Company may before expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by such resolution had not expired.

3.3 The issued share capital of the Company on Re-Admission is expected to be as follows:

Issued and Fully Paid	
Amount	Number (£0.01)
£2,143,751.90	214,375,190

3.4 Except as disclosed in this Document:

- 3.4.1 except for rights under section 571 of the 2006 Act, no person has any preferential subscription rights for any shares of the Company which are issued;
- 3.4.2 no share capital of the Company is currently under option or has been agreed, conditionally or unconditionally, to be put under option;
- 3.4.3 no commissions, discounts, brokerages or other special terms have been granted by the Company, or are now proposed in connection with the issue or sale of any share or loan capital of the Company.
- 3.4.4 the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company; and
- 3.4.5 there is no present intention to issue any of the authorised but unissued share capital of the Company save for the New Ordinary Shares.

3.5 The Existing Ordinary Shares and the New Ordinary Shares will rank *pari passu* in all respects.

4. MEMORANDUM AND ARTICLES OF ASSOCIATION

4.1 Memorandum of Association.

- 4.1.1 The objects of the Company are set out in clause 4 of its Memorandum of Association and include the power to carry on business as a general commercial company and to carry on any business.

4.2 Articles of Association

- 4.2.1 The Company proposes to adopt new Articles of Association at the GM, in substitution for and to the exclusion of the Current Articles. The new Articles of Association are the model Articles of Association prescribed by The Companies

(Model Articles) Regulations 2008 and, together with relevant provisions of the 2006 Act, contain, inter alia, provisions to the following effect:

(a) *Voting Rights*

Subject to paragraph (f) below, and to any special terms as to voting upon which any shares may for the time being, be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly appointed representative shall have one vote and on a poll every member present in person or by representative or proxy shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

(b) *Variation of rights*

Under the 2006 Act, if at any time the capital of the Company is divided into different classes of shares all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting (except an adjourned meeting), the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

(c) *Alteration of capital*

Under the 2006 Act, and subject, inter alia, to the passing of resolutions in general meeting, the Company may increase its issued share capital, reduce, sub-divide, consolidate, redemoninate share capital, and redeem and purchase its own shares.

(d) *Transfer of Shares*

Shares may be transferred in uncertificated or in certificated form. Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of: the transferor, and (if any of the shares is partly paid) the transferee. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share. The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

The directors may refuse to register the transfer of a certificated share if, inter alia, the share is not fully paid, or the transfer is in favour of more than four transferees. Subject to paragraph (f) below, the Articles contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with.

(e) *Dividends and other distributions*

The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors. No dividend may be declared or paid unless it is in accordance with members' respective rights. If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

Except as otherwise provided by the articles or the rights attached to shares, all dividends must be: declared and paid according to the amounts paid up on the shares on which the dividend is paid, and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

If twelve years have passed from the date on which a dividend or other sum became due for payment, and the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

(f) Restrictions on Ordinary Shares

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

Under the 2006 Act, if a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under section 793 of the 2006 Act and is in default in supplying to the Company (within such reasonable time as may be specified in such notice) the information thereby required, then the Company may apply to the court for an order that such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice.

(g) Return of capital

There are no specific provisions in the Articles relating to the rights of shareholders on the return of surplus assets on a winding up or other return of capital, other than the provisions as to dividends summarized in paragraph (e) above.

(h) Directors

(aa) Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. The members may, by special resolution, direct the directors to take, or refrain from taking, specified action. No such special resolution invalidates anything which the directors have done before the passing of the resolution.

(bb) If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes. But if subparagraph *(cc)* below applies, a Director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it for quorum and voting purposes.

(cc) This paragraph applies when the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in, or voting at, a directors' meeting; or the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or the Director's conflict of interest arises from a permitted cause, as described in subparagraph *(dd)* below.

(dd) For the purposes of the Articles, the following are permitted causes: a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries; subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and arrangements pursuant to which benefits are made available to employees and Directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(ee) Subject to subparagraph (ff), if a question arises at a meeting of directors or of a committee of directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.

(ff) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

(gg) At the first annual general meeting all the Directors must retire from office. At every subsequent annual general meeting any Directors: who have been appointed by the directors since the last annual general meeting, or who were not appointed or reappointed at one of the preceding two annual general meetings, must retire from office and may offer themselves for reappointment by the members.

(hh) A person ceases to be a Director as soon as: that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law, a bankruptcy order is made against that person, a composition is made with that person's creditors generally in satisfaction of that person's debts, a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months, by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; notification is received by the Company from the Director that the Director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

(ii) Directors may undertake any services for the company that the directors decide. Directors are entitled to such remuneration as the directors determine: for their services to the Company as directors, and for any other service which they undertake for the Company. Subject to the Articles, a director's remuneration may: take any form, and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director. Unless the directors decide otherwise, directors' remuneration accrues from day to day. Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

(jj) The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at: meetings of directors or committees of directors, general meetings, or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

5. Proposed Directors

- 5.1 The following Proposed Directors will, subject to the passing of the resolutions, enter into service contracts or letters of appointment with the Company:
- (i) Christopher Johnson will be appointed Executive Chairman with effect from completion of the Acquisition. The appointment will be for an initial period of two years from completion of the Acquisition and is thereafter terminable upon twelve months written notice, or immediately by a resolution of the Shareholders. Mr. Christopher Johnson's salary will be approximately £6,500 per annum, inclusive of Director's fees.
 - (ii) Alexander Johnson will be appointed Sales and Marketing Director with effect from completion of the Acquisition. The appointment will be for an initial period of two years from completion of the Acquisition and is thereafter terminable upon twelve months written notice, or immediately by a resolution of the Shareholders. Mr. Alexander Johnson's salary will be approximately £6,500 per annum.

The following Directors, with the exception of Andrew Moore, all have agreed to resign immediately on Completion.

- (iii) Mr McKendrick is currently a non-executive director of the Company. On Completion he will retire from the Board of the Company
 - (iv) Mr Reid is currently a non-executive director of the Company. On Completion he will retire from the Board of the Company
 - (v) Mr Moore is currently Non-executive Chairman of the Company. On Completion he will become a non-executive director under a service agreement with the Company with effect from completion of the Acquisition. The appointment will be for a period of twelve months from Re-Admission, and may be extended thereafter on agreement between the parties. Mr Moore's salary will be £10,000 per annum, inclusive of Director's fees.
- 5.2 Except as disclosed in this Document, there have been no amendments to the Directors' or Proposed Directors' service contracts and letters of appointment in the six months prior to the date of this Document between the Company and any of the Directors and the Proposed Directors which expire or are terminable by the Company without payment of compensation within one year.
- 5.3 It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Proposed Directors and to Andrew Moore for the financial period ending 31 March 2012 will be approximately £23,000.

6. Directors' Interests

- 6.1 The interests of the Directors and the Proposed Directors in the share capital of the Company as at 13 October 2011 (being the latest practicable date prior to publication of this Document) and on Re-Admission, which have been notified by each Director and Proposed Director or are interests of a connected person (within the meaning of section 252 of the 2006 Act) of a Director or Proposed Director, were, or will upon Completion of the Acquisition be, as follows:

Director/Proposed Director	Current Number of Ordinary Shares	Percentage of current issued Ordinary Share Capital	Number of Ordinary Shares on Re-Admission	Percentage of Ordinary Share Capital on Re-Admission
R. McKendrick	5,592,467	26.94%	5,592,467	2.61%
A. Moore *	2,935,394	14.14%	2,935,394	1.37%
J. Reid	0	0.00%	0	0.00%
C. Johnson	0	0.00%	186,815,803	87.14%
A. Johnson	0	0.00%	1,868	0.01%

* Andrew Moore is the legal and beneficial owner of Central Corporate Finance LLP which holds 2,935,394 Ordinary Shares.

6.2 In addition to the Directors' and proposed Directors' interests described in paragraph 5.1 above, the Directors are aware of the following interests which will represent three per cent or more of the issued share capital of the Company, on Re-Admission and Completion of the Acquisition:

Shareholder	Current Number of Ordinary Shares	Percentage of current issued Ordinary Share Capital	Number of Ordinary Shares on Re-Admission	Percentage of Ordinary Share Capital on Re-Admission
SVS Securities plc	1,335,087	6.43%	8,135,087	3.79%

6.3 The Directors and the Proposed Directors hold and have previously held during the five years immediately preceding the date of this Document the following other directorships and partnerships:

Director	Current Directorships/Partnerships	Past Directorships/Partnerships
R. McKendrick	14-16 Curzon Avenue Limited	Trafalgar New Homes PLC
	10-12 Curzon Avenue Limited	London Wall Mining PLC
	14 Grittleton Road Ltd	
	Constable House (Ashton-Under-Lyne) Limited	
	Constable House (Hackney) Limited	
	Capital Mining Limited	
	The Woodlands No.1 Management Company Limited	
	Agri Capital Limited	
	Capital Ground Rents Limited	
A. Moore	Central Corporate Finance LLP	Pentoc Limited
	Trafalgar Distributions Limited	United Kingdom Independence Party Limited
	Security International Holdings Limited	Pavilion Insurance Network Limited
	Central Corporate Recovery	Traction Technology PLC

	Limited	
	Findlay James (London) Limited	UBET2WIN PLC
	Franchise Objectives Limited	Trafalgar New Homes PLC
	Guardia PLC	Central Group Limited
		Empirical Insolvency LLP
		Central Associates Limited
		Who Wants To Be An Entrepreneur Limited
		Enhance Beauty Limited
		Dateline Holdings PLC
		The Weather Lottery PLC
		Papa Entertainment Limited
J. Reid	Black Bow Investments Ltd	Pro-Bel Limited
	Franchise Objectives Limited	Pro-Bel Holdings Limited
	The Brew Partnership LLP	Pro-Bel Group Limited
	The Brew Dereham Place Limited	
	The Brew Spaces Limited	
Proposed Director		
C. Johnson	Weald Water Enterprises Ltd	Kolaco Limited
	Combe Bank Homes Enterprises Ltd	Chequer Homes Limited
	Combe Bank Homes (Oakhurst) Ltd	Castello Services Limited
	Rayfair Limited	
	Branford Limited	
	International Fly Fishing Investments Limited	
A. Johnson	Dreamblade Ltd	Castello Services Limited

6.3.1 A Moore has been a director of the following companies:

- i. Andrew Moore was appointed a director of International Sportsmans Club PLC (an unlisted public company) on 26 January 1998 and resigned on 4 February 1999. On 6 January 2000 International Sportsmans Club PLC went into compulsory liquidation and was dissolved on 12 March 2003 with a total deficit of approximately £3,000.
- ii. Andrew Moore was appointed as a director of Retreads International Limited on 17 February 1997 and resigned on 10 July 1998. Retreads International Limited was placed in administrative receivership on 10 October 1997 with a total deficit of £449,000.
- iii. Spotlight Advertising Limited appointed Andrew Moore as a director on 16 May 1997. Andrew Moore resigned on 30 June 1998 and the company went into compulsory liquidation on 8 October 1998 with a total deficit of approximately £787,000.
- iv. Andrew Moore was appointed on 18 July 2000 as a director of Millhouse Media Company Limited, a subsidiary of 10 Group PLC. He resigned as a director on 7 November 2000. The company was placed in administrative

receivership on 30 March 2001 with a deficit of approximately £971,000 (of which £304,000 was owed to 10 Group plc).

- v. Netrest Limited appointed Andrew Moore on 14 July 2000 as a director. Andrew Moore resigned as a director on 5 September 2000 and the company went into compulsory liquidation on 5 March 2001. At the time that Netrest Limited went into liquidation it was a non-trading associate company of Millhouse Media Company Limited.
- vi. Andrew Moore was appointed as Non Executive Director to Forknall Limited on 21 September 2005 and resigned on 17 September 2006. Forknall Limited went into liquidation on 25 October 2006.
- vii. Andrew Moore was appointed as Director to Trafalgar New Homes plc on 26 April 2007 and resigned on 31 March 2010 Trafalgar New Homes plc went into administration on 26 August 2010. He was then re-appointed as Director on 7 December 2010.

6.3.2 Christopher Charles Johnson entered into an individual voluntary arrangement ("IVA") under the Insolvency Act 1986 with his personal creditors in 1992. This liability was as a result of him being called on for personal, joint and several guarantees for a total sum of £13,971,373.74. This arrangement was to continue in operation for five years but the duration of the arrangement was subsequently extended. Following a meeting of creditors held on 21 January 1998, contributions of £75,000 were paid into the IVA towards a full and final distribution which sum was in addition to the payments made into the IVA over the period in which it was in operation. Notice was given by the supervisor on 31 March 1998 that the IVA had been fully implemented in line with modifications approved by the creditors.

6.3.3. Christopher Johnson was a director of Cheyton Developments Limited, when, as sole creditor of the company, he applied for a creditors' voluntary liquidation in December 1991 with the total liabilities of the company amounting to £86,781; the company was then dissolved in May 1993.

6.3.4. Christopher Johnson was a director of Waysdon plc, which was subject to a creditors voluntary liquidation in October 1998 and dissolved in August 1999.

6.3.5 Christopher Johnson was a director of Branford Limited whose one asset was the subject of a LPA receivership and sold.

6.3.6. Christopher Johnson was a director of Delter limited. The company has been subject to a LPA receivership involving the administration and collection of rents.

6.3.6 Christopher Johnson was a director of Reliant Group plc which went into administrative receivership in October 1990 at which time the total liabilities of the company were in excess of £7 million. The company was then subject to a creditors petition for winding up and the said order was made on 6 February 1991. The company was struck off under s652 of the Act and dissolved on 16 March 1999. As a result of personal guarantees given by Christopher Johnson in respect of certain obligations of Reliant Group plc being called on, Christopher Johnson entered into the individual voluntary arrangement referred to above.

6.3.7. Christopher Johnson was deputy chairman of Regent Corporation plc until his resignation on 31 January 1996. The consolidated accounts of that company for the year ended 31 March 1996 contained a disclaimer in respect of the group

financial statements by BDO Stoy Hayward on the basis that proper accounting records in certain subsidiaries had not been kept and that the auditors had been unable to receive all the information and explanations considered necessary. An Administration Order was made on 8 July 1997 and the company subsequently conducted a corporate voluntary arrangement. The administration order was discharged on 8 January 1999.

- 6.3.8 Robert McKendrick was appointed as Director to Trafalgar New Homes plc on 26 September 2007 and was a director when Trafalgar New Homes plc went into administration on 26 August 2010.
- 6.4 Save as disclosed above, none of the Directors or Proposed Directors is currently a director of any company or a partner in any partnership or has been a director of a company or a partner in any partnership in the five years immediately preceding the date of this Document.
- 6.5 No Director or Proposed Director was a director, or shadow director, of a company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.
- 6.6 No Director or Proposed Director was a partner in any partnership at the time of, or within 12 months preceding the date of any compulsory liquidation, administration or partnership voluntary arrangement.
- 6.7 No Director or Proposed Director has had any asset which has been subject to a receivership or has been a partner in a partnership at the time of, or within 12 months preceding, such event.
- 6.8 No Director or Proposed Director has been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.
- 6.9 None of the Directors or Proposed Directors has any unspent convictions relating to an indictable offence or has been declared bankrupt or has made or been the subject of any individual voluntary arrangement.
- 6.10 No Director or Proposed Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group which was effected by the Company during the current or immediately preceding financial year or which was effected before then and remains in any respect outstanding or unperformed.

7 Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and its subsidiaries during the two years preceding the date of this Document and are or may be material:

The Acquisition Agreement

An agreement dated 13 October 2011 pursuant to which the Company has agreed, conditionally on approval by its shareholders, to acquire all of the issued share capital of Combe Bank for a consideration to be satisfied by the issue of 186,817,671 New Ordinary shares.

The Administration Asset/Liability Sale Agreement

An Administration Asset/Liability Agreement dated 8 August 2011 between the Company, Jane Walker of Errington Walker and Trafalgar Distributions Limited, pursuant to the Company's administration process. Pursuant to the Administration Asset/Liability Sale Agreement, the Company has agreed to sell and Trafalgar Distributions Limited has agreed to purchase whatever right, title and interest (if any) that the company has in certain assets. Pursuant to the Administration Asset/Liability Sale Agreement, Trafalgar Distributions Limited has further agreed to take on all liabilities of the Company and to purchase the assets subject to any third party interest including any purported restraint to other liens in respect of the same.

The Relationship Agreement

A relationship agreement dated 13 October 2011 and made between Mr Christopher Charles Johnson, the Company and SVS under which Mr Johnson has undertaken to procure that:

- (a) the Company will at all times be able to carry on its business independently of the interests of Mr Johnson and his associates, having regard to the interests of the Shareholders as a whole rather than for the benefit of any particular Shareholder or group of Shareholders in the Company;
- (b) the Board will at all times be capable of operating the affairs of the Company independently of the particular interests of Mr Johnson and his associates (save in so far as the interests of Mr Johnson and his associates coincide with the interests of the Shareholders as a whole; and
- (c) all transactions and relationships between the Company (on the one hand) and Mr Johnson (on the other) will be conducted on terms which allow the group to carry on its business independently and on a normal commercial basis and at arm's length,

(together the "**General Principles**").

In addition to a broad undertaking given by Mr. Johnson not to act in a way which is contrary to the General Principles, Mr Johnson has also given a number of specific undertakings to the Company and SVS including, amongst other things, undertakings not to use his voting rights (and to ensure that his associates do not use their voting rights) to effect any amendment of the Company's constitutional documents or participate at meetings of the Board in a way which would be inconsistent with the General Principles, undertakings not to engage in any commercial transaction with any member of the Group or receive any fee from any member of the Group without independent Board approval and an undertaking not to interfere with the proper decision-making process of the Board.

The Relationship Agreement also contains non-compete and non-solicitation undertakings from Mr Johnson for the benefit of the Company and the protection of the Group's business.

Under the Relationship Agreement, the independent Non-executive Director, in consultation with SVS, will have the power to:

- (i) review and approve all matters concerning Mr Johnson and his associates from time to time as may relate to the Group;
- (ii) monitor transactions, dealings and arrangements between any member of the Group and Mr Johnson and/or his associates; and
- (iii) monitor and enforce the application of the Relationship Agreement.

The Relationship Agreement cannot be terminated except with (a) the approval of more than 75 per cent of the independent Shareholders at a Shareholders' meeting or (b) on the earlier of the date on which Mr Johnson and his associates cease to hold in total 30 per cent or more of the Ordinary Shares and the date on which the Ordinary Shares cease to be admitted to trading on PLUS-quoted other than where the Ordinary Shares are temporarily suspended.

8 Working Capital

The Directors and the Proposed Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Enlarged Group following Completion will be sufficient for its present requirements, that is for at least 12 months from the date of completion of the Acquisition.

9 Litigation

The Enlarged Group is not involved in any governmental, legal or arbitration proceedings which may have a significant effect on the financial position or profitability of the Company and/or the Enlarged Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

Combe Bank is not involved in any governmental, legal or arbitration proceedings which may have, or have had during the last twelve months preceding the date of this Document, a significant effect on the financial position or profitability of Combe Bank nor, so far as the Directors and the Proposed Directors are aware, are any such proceedings pending or threatened.

10 United Kingdom Taxation

10.1 General

The following comments are intended only as a general guide to the position under current United Kingdom tax law and what is understood to be the current practice of the United Kingdom HM Revenue & Customs and may not apply to certain classes of investors, such as dealers in securities. Any person who is in doubt as to his tax position is strongly recommended to consult his own professional tax adviser.

10.2 Taxation of Dividends

(a) The Company

The Company will not be required to withhold tax at source on any dividends it pays to its shareholders in respect of the Ordinary Shares.

(b) UK resident shareholders

Individuals resident in the UK for taxation purposes are generally liable to UK income tax on the aggregate amount of any dividend received and a non-repayable tax credit equal to 10 per cent. of the gross dividend (or one-ninth of the dividend received). For example, on a dividend received of £90, the tax credit would be £10, and an individual would be liable to income tax on £100.

No further income tax is payable in respect of the dividend by a UK resident individual to the extent such individual is not liable to income tax at the higher rate (currently 40 per cent.) or the additional rate (currently 50 per cent.). UK resident individuals who are subject to tax at the basic rate only will be charged to tax on the gross dividend at the dividend ordinary rate of 10 per cent. and therefore the tax credit will be treated as satisfied in full.

UK resident individuals who are subject to tax at the higher rate are subject to tax on dividends at the dividend upper rate (currently 32.5 per cent.) but are entitled to offset the 10 per cent. tax credit against such liability, resulting in an effective tax rate of 25 per cent. of the net dividend received. For example, on a dividend received of £90 such a taxpayer would have to pay additional tax of £22.50 (representing 32.5 per cent. of the gross dividend less the 10 per cent. tax credit). UK resident individuals who are subject to tax at the additional rate are subject to tax on dividends at the dividend additional rate (currently 42.5 per cent.) but are entitled to offset the 10 per cent. tax credit against such liability, resulting in an effective tax rate of 36.11 per cent. of the net dividend received. For example, on a dividend received of £90 such a taxpayer would have to pay additional tax of £32.50 (representing 42.5 per cent. of the gross dividend less the 10 per cent. tax credit). For this purpose, dividends are treated as the top slice of an individual's income.

No repayment of the tax credit in respect of dividends paid by the Company (including in respect of any dividend paid where the Ordinary Shares are held in a personal equity plan or in an individual savings account) can be claimed by a United Kingdom resident shareholder (including pension funds and charities).

Provided that certain anti-avoidance provisions do not apply, and subject to certain exceptions for traders in securities and insurance companies, a corporate shareholder resident in the United Kingdom for tax purposes will generally not be subject to corporation tax on dividends received from the Company in respect of the Ordinary Shares. Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers in relation to the implication of the legislation.

(c) *Non-UK resident shareholders*

Non-UK resident shareholders are not generally entitled to claim any part of the tax credit and any ability to do so will depend on the terms of any applicable double tax treaty between the Company and the country in which the shareholder is resident. Non-UK resident shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such shareholders should consult their own tax advisers concerning their tax liabilities.

10.3 **Taxation of Capital Chargeable Gains**

(a) *UK Resident Shareholders*

A disposal of the Ordinary Shares by a shareholder who is (at any time in the relevant United Kingdom tax year) resident or, in the case of an individual, ordinarily resident in the United Kingdom for tax purposes, may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains, depending on the shareholder's circumstances and subject to any available exemption or relief.

(b) *Non-resident Shareholders*

A shareholder who is not resident in the United Kingdom for tax purposes but who carries on a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a non-UK resident corporate shareholder, a permanent establishment) to which the Ordinary Shares are attributable will be subject to the same rules which apply to United Kingdom resident shareholders.

A shareholder who is an individual and who after acquiring his Ordinary Shares, ceases to be resident or ordinarily resident for tax purposes in the United Kingdom for a period of less than five years of assessment and who disposes of the Ordinary Shares during that period may also be liable, on his return, to United Kingdom taxation of chargeable gains (subject to any available exemption or relief).

10.4 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The statements below summarise the current position and are intended as a general guide only to stamp duty and SDRT. Special rules apply to agreements made by brokers, dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositories and clearance services) who may be liable to stamp duty or SDRT at a higher rate. No stamp duty or SDRT will generally be payable on the issue or on the registration of the Ordinary Shares to be issued pursuant to the Placing and Admission.

A transfer for value of the Ordinary Shares will generally be subject to stamp duty or SDRT. Stamp duty will arise on the execution of an instrument to transfer Ordinary Shares and SDRT will arise on the entry into an agreement to sell the Ordinary Shares.

Stamp duty and SDRT are normally a liability of the purchaser or transferee (although where such purchase is effected through a stockbroker or other financial intermediary, that person should normally account for the liability to SDRT and should indicate this has been done in any contract note issued to a buyer).

The amount of stamp duty or SDRT payable on the transfer is generally calculated at the rate of 0.5 per cent. of the amount or value of the consideration paid (with stamp duty rounded up to the nearest £5). No stamp duty is chargeable on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A liability to SDRT will be cancelled and any SDRT already paid will be repaid, generally with interest, where an instrument of transfer is executed and stamp duty is paid on that instrument within six years of the date on which the liability to SDRT arises.

Paperless transfers of the Ordinary Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. SDRT on relevant transactions is generally settled within the CREST system. Deposits of shares into CREST will generally not be subject to SDRT, unless the transfer into CREST is itself for consideration.

11 General Information

- 11.1 SVS, which is authorised and regulated by the Financial Services Authority and whose address is at 21 Wilson Street London EC2M 2SN, has given and has not withdrawn its written consent to the issue of this Document with the references to its name in the form and context in which they are included.
- 11.2 Rochester's Audit Services Ltd, Registered Auditors, whose address is at No 3 Caroline Court, 13 Caroline Street, St Paul's Square, Birmingham B3 1TR, has given and has not withdrawn its written consent to the issue of this Document with the references to its name in the form and context in which they are included.
- 11.3 The total costs, charges and expenses payable in connection with the Acquisition and Re-Admission are estimated to amount to £35,000 (excluding value added tax) and are payable by the Company. In addition, the Company has agreed to allot to SVS, conditional on Re-Admission, 6,800,000 ordinary shares in the Company in settlement of part of SVS's fees in respect of the Acquisition and Re-Admission and in settlement of outstanding amounts due to SVS by the Company.
- 11.4 Save as disclosed in this Document, the Directors and the Proposed Directors are not aware of any exceptional factors which have influenced the recent activities of either the Company or Combe Bank.

- 11.5 The Company's Articles of Association permit the holding and transfer of Ordinary Shares in uncertificated form. The Directors have applied for the New Ordinary Shares to be admitted to CREST, which a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument.
- 11.6 No person (excluding professional advisers and any trade suppliers) has received directly or indirectly from the Company within 12 months preceding the date of this Document or entered into any contractual arrangements whereby that person is entitled to receive directly or indirectly from the Company on or after Re-Admission, either:
- fees totalling £10,000 or more;
 - ordinary shares to the value of £10,000 or more calculated by reference to the market price of the Ordinary shares at Re-Admission; or
 - any other benefit with a value of £10,000 or more at the date of Re-Admission.
- 11.7 Other than the Company's original admission to trading on PLUS-quoted which took place on 7 December 2005, the Ordinary Shares have not been admitted to dealing on any recognised investment exchange nor has any application for such admission been made and there is no intention to make any other arrangements for dealings in the Ordinary Shares on any such exchange.
- 11.8 The auditors to the Company are Rochesters Audit Services Ltd. The financial information relating to the Company set out in this Document does not constitute statutory accounts of the Company (within the meaning of section 240 of the Act).
- 11.9 Save as disclosed in this Document there are no investments in progress which are significant.
- 11.10 Save as disclosed, the Directors and the Proposed Directors are not aware of any material changes in the financial or trading position of Combe Bank since 31 May 2011, the date to which the latest audited accounts of the company were made up.

12 Documents Available for Inspection.

Copies of the following documents will be available for inspection at the offices of SVS during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of this Document:

- 12.1 the Memorandum and Articles of Association of the Company;
- 12.2 the audited accounts of the Company for the year ended 31 March 2008;
- 12.3 the audited accounts of Combe Bank for the year ended 30 November 2010;
- 12.4 the material contracts referred to in paragraph 7 of this Part 7 of this Document;
- 12.5 the Directors' and Proposed Directors' letters of engagement and service contracts referred to in paragraph 5 of this Part 7 of this Document;
- 12.6 the written consents referred to in paragraph 11 of this Part 7 of this Document; and
- 12.7 the irrevocable undertakings referred to in Part 1 of this Document.

13 October 2011

Trafalgar New Homes Plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 4340125)

NOTICE OF A GENERAL MEETING

NOTICE IS HEREBY given that a general meeting of Trafalgar New Homes Plc (the "Company") will be held at the offices of SVS Securities Plc, 21 Wilson Street, London, EC2M 2SN on 8 November 2011 at 12:00 noon for the purposes of (i) considering whether any, and if so what, steps should be taken to deal with the situation that has arisen, namely that the net assets of the Company are half or less of its called-up share capital, and (ii) considering and, if thought fit, passing the following resolutions of which numbers 1 and 2 will be proposed as Ordinary Resolutions and numbers 3, 4 and 5 will be proposed as Special Resolutions:

ORDINARY RESOLUTIONS

1. Approval of the Acquisition of Combe Bank Homes Limited

THAT subject to the passing of resolutions 2, 3 and 5, the proposed acquisition by the Company of all of the issued share capital of Combe Bank Homes Limited (as detailed in the Admission Document dated 13 October 2011, the "**Document**") pursuant to the terms and subject to the conditions of an agreement dated 13 October 2011 made between Mr. C. Johnson and Mr. A. Johnson (the "**Vendors**") and the Company (the "**Acquisition Agreement**") a copy of which was produced to the meeting and initialled by the chairman for the purposes of identification, be approved and the directors of the Company be authorised to do all such acts and things and execute all such documents as they may in their absolute discretion consider necessary and/or desirable in order to implement and complete the Acquisition Agreement in accordance with its terms including without limitation the issue of 186,817,671 new ordinary shares to the Vendors.

2. General Authority to directors to Issue Securities

THAT subject to the passing of resolution 1, the Directors of the Company be generally and (save as hereinafter specified) unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the "Act"), in substitution for all existing and unexercised authorities, to exercise all or any of the powers of the Company to allot shares up to a maximum nominal amount of £2,450,000 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2012 or 15 months after the passing of this resolution (if earlier), unless renewed or extended prior to such time provided always that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

3. Disapplication of Pre-emption Rights

THAT subject to the passing of resolutions 1 and 2 and in substitution for all existing and unexercised authorities , the Directors of the Company be empowered pursuant to section 571 of the Companies Act 2006 ("Act") to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred on them by resolution 2 above as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited (i) to the issue of equity securities with an aggregate nominal amount of £68,000 to certain advisers as described in the

admission document dated 13 October 2011 referred to in resolution 1 above, and (ii) otherwise than pursuant to sub-paragraph (i) above, to the issue of equity securities with an aggregate nominal amount of £513,824 (representing approximately 26.8 per cent of the Enlarged Share capital of the Company) and such power shall expire on the date of the Annual General Meeting of the Company to be held in 2012 or (if earlier) 15 months from the date of the passing of this resolution, save that the Company may before the expiry of such period make an offer or agreement which would or might require equity securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

4. Confirmation of authorities to allot Ordinary Shares

THAT the allotment of 12,000,000 ordinary shares in the Company under the terms of the Company Voluntary Arrangement approved in November 2010 be hereby approved, ratified and confirmed and that, to the extent not previously authorised, the Directors of the Company be hereby authorised to allot such shares pursuant to and for the purposes of sections 551 and 571 of the Companies Act 2006, such authorisation expiring on the date of the Company's next annual general meeting.

5. Adoption of new Articles of Association

THAT all provisions in the Company's Memorandum and Articles of Association as to the amount of the Company's authorised share capital or setting the maximum amount of shares that may be allotted by the Company are revoked and of no further force or effect; and that the new Articles of Association in the form produced to the meeting and initialled for identification by the Chairman be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

BY ORDER OF THE BOARD

Andrew Moore
Company Secretary

Registered Office
3 Caroline Court
13 Caroline Street
Birmingham B3 1TR

13 October 2011

Notes

- (1) Every member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Authorised representatives of corporate members have full voting powers. Members who have lodged forms of proxy are not thereby prevented from attending the meeting and voting in person if they so wish.
- (2) To be effective, the form of proxy (together with any power of attorney or other written authority under which it is signed or notarially certified copy of such power or written authority) must be lodged at the offices of the Company's Registrars, Neville Registrars Limited, not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the

meeting or adjourned meeting) not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.

- (3) Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf.
- (4) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the extraordinary general meeting is at 6:00 pm on 6 November 2011. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.