30 September 2019

TRAFALGAR NEW HOMES PLC
("**Trafalgar**", the "**Company**" or "**Group**")

Final Results for the year ended 31 March 2019 and notice of Annual General Meeting

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its final results for the twelve months ended 31 March 2019.

The Company's Annual Report is being posted to shareholders today and contains notice of the Annual General Meeting of the Company to be held at the Company's offices at Chequers Barn, Bough Beech, Edenbridge, Kent TN8 7PD at 11.00 a.m. on 25 October 2019.

Highlights

- Group turnover was £2,123,500 (2018: £906,484), with a loss after tax of £ 2,296,422 (2018: Loss £424,903), after taking into account exceptional item of £1,559,319.

- Group turnover for the year amounted to £ 2,123,500, representing the sale of five residential properties.

- Management have concluded that an impairment of the investments in subsidiaries is prudent and that these will be written down to zero, resulting in an exceptional charge of £1,559,319.

- The cash on the balance sheet at the end of the year was £32,800 (2018: £458,209) and the Group continues to have sufficient bank facilities for all planned activities.

- On 27th May, 2019 Chris Johnson and his son Alex Johnson stepped down from the Group Board, although they remain involved on a consultancy basis. On the same day, Paul Treadaway was appointed as the new Group Managing Director which strengthens the Board with his particular expertise being in the sector for assisted living developments. This retains a good balance of complementary skills on the Board.

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Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

Notes to Editors:

Trafalgar Property Group plc

For further information visit www.trafalgarproperty.group

CHAIRMAN'S STATEMENT
for the year ended 31 March 2019

On behalf of the Board, I present Trafalgar Property Group's results for the year ended 31 March 2019 which show five property sales were recorded in the year. The overall result was very disappointing, as can be seen in the attached Accounts and Strategic Report.

We will continue to explore the potential for acquiring new sites that should produce increased turnover and a return to profit.

Financials

The year under review saw Group turnover at £2,123,500 (2018: £906,484), with a loss after tax of £2,296,422 (2018: Loss £424,903), after taking into account exceptional items as detailed in note 19 to the accounts.

Management have performed a review of the assets and liabilities of the underlying subsidiaries which form the value of the anticipated profits on ongoing developments. In addition, the value of land options in Trafalgar Retirement + have been re-assessed. At the time of approval of the financial statements there is no confirmed planning permission on these land options.

Due to the uncertainties and timing of developments it has been agreed by management not to include any future anticipated profits of developments in their assessment. Therefore the net asset value of the underlying investments does not support the Trafalgar Property Group's carrying value of investments in the subsidiaries.

Management have concluded that an impairment of the investments is prudent and that these will be written down to zero, resulting in an exceptional charge of £1,559,319.

The cash on the balance sheet at the end of the year was £32,800 (2018: £458,209) and the Group continues to have sufficient bank facilities for all planned activities.

Business Environment and Outlook

Our recent move into the assisted living sector gives us an opportunity to expand into fresh areas of residential units where we see an enormous demand, especially in the South-East. However, our failure in obtaining finance for our first venture, at Camberley, has proved a poor start to our ambitions in this direction.

On 27th May, 2019 Chris Johnson and his son Alex Johnson stepped down from the Group Board, although they remain involved on a consultancy basis. On the same day, Paul Treadaway was appointed as the new Group Managing Director which strengthens the Board with his particular expertise being in the sector for assisted living developments. This retains a good balance of complementary skills on the Board. We are currently progressing offers of finance alongside our planning applications so that we should be well placed to commence our developments as soon as planning permits.

I would refer you to Paul Treadaway's Strategic Report that covers our activities in more detail.

James Dubois
Chairman
27 September 2019

Business review, results and dividends

All trading and property assets of Trafalgar Property Group Plc are held in the name of Trafalgar Property Group Plc or its subsidiaries as follows:

Trafalgar New Homes Limited

Trafalgar Retirement+ Limited

Combe Bank Homes (Oakhurst) Limited

Combe Homes (Borough Green) Ltd

All bank and mortgage borrowings are the liability of Trafalgar New Homes Ltd, the wholly owned subsidiary of Trafalgar Property Group Plc. The shares of Trafalgar Property Group Plc are quoted on the London Stock Exchange AIM market.

The principal activity of the Group continues to be that of home building and property development and the consolidated results of the year's trading, are shown below. The consolidated loss for the year amounted to £2,296,422 (2018: Loss £424,903) after taking into account exceptional items as mentioned in note 19 to the accounts.

Principal risks & uncertainties

Set out below are certain risk factors which could have an impact on the Group's long-term performance. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties facing the Group.

The principal risks and uncertainties facing the Group are:

1. Any possibility that lending criteria from the Group's bankers may harden with little prior notice.

2. Construction costs may escalate and eat into gross profit margins.

3. Heavy overheads may be incurred especially when projects have been completed and before others have been commenced.

4. The Group could pay too much for land acquisitions.

5. The Group's reliance on key members of staff.

6. The market may deteriorate, damaging liquidity of the group and future revenues.

The Group considers that it mitigates these risks with the following policies and actions:

1. The Group affords its bankers and other lenders a strong level of asset and income cover and maintains good relationships with a range of funding sources from which it is able to secure finance on favourable terms.

2. Construction costs are outsourced on a fixed price contract basis, thereby passing on to the contractor all risk of development cost overspend, including from increased material, labour or other costs.

3. Most other professional services are also outsourced, thus providing a known fixed cost before any project is taken forward and avoiding the risk that can arise in employing in-house professionals at a high unproductive overhead at times when activity is slack.

4. Land buying decisions are taken at board level, after careful research by the Directors personally, who have substantial experience of the house building industry, potential construction issues and the local

market.

The Group focuses on a niche market sector of new home developments in the range of 4 to 20 units. Within this unit size, competition to purchase development sites from land buyers is relatively weak, as this size is unattractive to major national and regional house builders who require a larger scale to justify their administration and overheads, whilst being too many units for the smaller independent builder to finance or undertake as a project. Within this market, there are opportunities to negotiate land acquisitions on favourable terms. Many competitors who also focus on this niche have yet to recapitalise and are unable to raise finance.

5. Many of the activities are outsourced and each of the Directors is fully aware of the activities of all members.

6. The Group has a rigorous corporate governance policy appropriate for a publicly quoted company with ambitions substantially to raise its profile within the wider investor community.

Operations review

A summary of the results for the year is as follows:-

	2019	2018
	£	£
Revenue for the year	2,123,500	906,484
Gross (loss)/profit	(264,171)	33,838
Loss after taxation	(2,296,422)	(424,903)

Group turnover for the year amounted to £ 2,123,500, representing the sale of five residential properties.

After taking into account the overheads of the Group, there was a loss recorded for the year of £ 2,296,422 after exceptional items as detailed in note 19.

There will be no tax charge and the Company now has tax losses being carried forward of £ 3,364,609 (2018: losses £2,642,077)

The loss per share is (0.54p), (2018: loss per share 0.10p) during the year.

As can be seen from the above , the Group failed to achieve a profit for the year under review and, as at the year end, only five of the residential units developed during the year have been sold, being the 2 apartments at the Burnside Tunbridge Wells, Kent development, the two remaining terraced houses at the Edenbridge, Kent development and one of the two detached houses at Hildenborough Kent development.

Key performance indicators (KPIs)

Management are closely involved in the day to day operations of the Group and are very aware of cashflows and expenditure. However, Management believe that the key indicators of performance for the group are the revenue and profitability achieved during the period. These measures are disclosed above in the operations review.

Development Pipeline & outlook

The year under review was not without its difficulties. In the residential division delays occurred on the building programme for the various properties that were still in the course of construction, or being finished off, with contractors appointed to complete the works but unable to follow the timetable laid down for completion of those works.

The delays lead to escalating interest costs on borrowing and therefore affected the profitability of the completed units that were for sale, on the disposal of the same. Five of the units were sold during the year grossing £2,123,500.

Rather than sell the remaining completed units into a declining market the units were retained by the group, refinanced and let out on assured shorthold tenancy agreements which in every case resulted in the group receiving rents in excess of the borrowing cost of each property.

Currently the group holds 4 “let out” properties, valued at £1,975,000.

The substantial detached property developed by the group at Saxons, Speldhurst Nr Tunbridge Wells, Kent required further build work which was commenced during the year and is nearing completion and terms have been agreed with a buyer for a sale of the property at £1,600,000, subject to contract, which once the necessary residual works have been completed should conclude.

During the year work has continued on the 6 town house site at Sheerness, Kent where, again, contractor difficulties were experienced with the appointed contractor ceasing work on site resulting in the group having to appoint an alternative contractor to complete the works. Work on site is anticipated to be completed by end October where all the properties will be put on the market for sale and we will be taking advantage of the “help to buy” scheme for which we are registered.

The integration of Trafalgar Retirement +, the extra/care assisted living operator has gone well and they have secured a number of options for both extra/care assisted living developments and vanilla residential developments which should provide a steady supply of sites for development in both sectors, to contribute to turnover in the current year and beyond.

Whilst Trafalgar Retirement+ continue to identify and secure new land opportunities for extra/care and assisted living, they are equally focused on obtaining a successful outcome on the sites currently under option and/or in for planning. Once planning has been achieved then the sites can be built out and placed for sale on the open market, or in the care of the smaller residential schemes, sold on with planning, both options being profitable to the business.

Notwithstanding that finance is readily available for the modest sized residential development schemes which the group has specialised in, difficulties have been experienced in the raising of finance for the substantial larger extra case/assisted living schemes which the group wishes to undertake and the group is accordingly actively seeking the finance for such developments at the present time.

Since the year end Trafalgar Retirement+ entered into a guarantee agreement for £360,000 for funds supplied by Mr C Johnson, being a deposit forfeited by Randell House Ltd, a subsidiary of Trafalgar Retirement+. This is related to the acquisition of an assisted living site in Camberley Surrey, where the acquisition was not completed.

Financial Instruments

The Group’s principal financial instruments comprise cash at bank, bank loans, other loans and various items within current assets and current liabilities that arise directly from its operations. The Directors consider that the key financial risk is liquidity. This risk is explained in the section headed ‘Principal risks and uncertainties’ in the Annual Report and Accounts on page 3.

Paul Treadaway
Director
27 September, 2019

TRAFALGAR PROPERTY GROUP PLC

DIRECTORS’ REPORT

The Directors present their Report and Audited Financial Statements for the year ended 31 March 2019.

Results and dividends

The results for the year are set out on page 14.

The Directors do not recommend the payment of a final dividend for the year (2018: nil).

Directors

The following Directors have held office since 1 April 2018 and have all served for the entire accounting year:-

C C Johnson
A D Johnson
N A C Lott
J Dubois
D C Stocks

Appointed post year end:	Resignations post year end:
P A Treadaway – 27 May 2019	C C Johnson – 27 May 2019
	A D Johnson – 27 May 2019

Conflicts of interest

Under the articles of association of the company and in accordance with the provisions of the Companies Act 2006, a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. However, the Directors may authorise conflicts and potential conflicts, as they deem appropriate. As a safeguard, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and the Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate. During the financial year ended 31 March 2019, the Directors have authorised no such conflicts or potential conflicts.

Directors’ interests in shares

Directors' interests in the shares of the Company, including family interests, at 31 March 2019 were as follows:-

	31.03.2019	31.03.2018
	Ordinary shares of 0.1p each	Ordinary shares of 1p each
C C Johnson	186,815,803	186,815,803
A Johnson	1,868	1,868
J Dubois	1,500,000	1,500,000
N Lott	500,000	500,000
D C Stocks	80,330,532	80,330,532
P Treadaway	106,484,658	106,484,658

P Treadaway was a shareholder as at 31st March, 2019 and 31st March, 2018, but not a Director as at that time.

Other substantial shareholdings

As at 26 September, 2019, being the latest practicable date before the issue of these financial statements, the company had been notified of the following shareholdings which constitute 3% or more of the total issued shares of the company at that date.

	Ordinary shares No.	Shareholding %
C.C. Johnson	186,815,803	38.31
D C Stocks	80,330,532	16.47
P Treadaway	106,484,658	21.83

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report 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 FRS 102 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 Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Group website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility or any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Financial Instruments

Information relating to the financial instruments is now included in the Strategic report on pages 3-5.

Future Developments

Information relating to future developments is included in the Strategic report on pages 3-5.

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information need by the Group's auditor in connection with preparing their report and to establish that the Group's auditor is aware of the information.

Auditor

During the year the company changed auditors from Crowe UK LLP, to MHA MacIntyre Hudson.

The auditor, MHA MacIntyre Hudson, will be proposed for re-appointment in accordance with Section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Paul Treadaway Director

27 September 2019

Trafalgar Property Group Plc
CORPORATE GOVERNANCE STATEMENT

The Board of Trafalgar Property Group Plc recognise the value of good corporate governance and has through the year ended 31 March 2019 implemented corporate governance procedures appropriate for the present size of the entity having given due regard to the Corporate Governance Code for Small and Mid-Size Quoted Companies issued by the Quoted Companies Alliance ("QCA"). In accordance with AIM Rule 26 as amended, the Company has decided to apply the QCA Corporate Governance Code ("QCA Code") issued by the QCA in May 2018 and is publishing on its website details of the QCA Code, how the Company complies with the QCA Code and, where it departs from the QCA Code, an explanation of the reasons for doing so.

Board Structure

The Board consists of four Directors of which two are executive and two non-executive.

The Board meets as and when required and is satisfied that it is provided with information in an appropriate form and quality to enable it to discharge its duties. All Directors are required to retire by rotation with one third of the board seeking re-election each year.

Due to the current size of the Group, the duties that would normally be attributed to The Nomination Committee, have been undertaken by the board as a whole.

The board has undertaken a formal assessment of the auditor's independence and will continue to do so at least annually. This assessment includes:

- a review of non-audit services provided to the company and the related fees;
- a review of the auditor's own procedures for ensuring the independence of the audit firm and parties and staff involved in the audit, including regular rotation of the audit partner; and
- obtaining confirmation from the auditor that, in their professional judgement, they are independent.

Internal Controls

The Board is responsible for the Group's system of internal controls and for reviewing their effectiveness. The internal controls are designed to ensure the reliability of financial information for both internal and external purposes. The Directors are satisfied that the current controls are effective with regard to the size of the Group. Any internal control system can only provide reasonable, but not absolute assurance against material mis-statement or loss. Given the size of the Group, the Board has assessed that there is currently no need for an internal audit function.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFALGAR PROPERTY GROUP PLC

Opinion

We have audited the group financial statements of Trafalgar Property Group Plc for the year ended 31 March 2019 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the group financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Material uncertainty related to going concern

We draw attention to the going concern section in the notes to the financial statements. The group’s ability to generate funds to meet short term operating cash requirements and loan repayments is reliant on the group’s ability to sell the properties it holds, or to obtain alternative financing. The timing of these sales is uncertain and as a result the group is currently reliant on long term investor loans being renewed when they come up for repayment.

Notwithstanding the disclosure in the going concern note in the notes to the accounts and the directors’ belief that it is appropriate to produce these accounts on a going concern basis, we consider there to be factors that indicate that a material uncertainty exists that may cast doubt on the ability of the company to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters that we identified for the year ended 31 March 2019 are:

Key audit matter	*How the scope of our audit addressed the key audit matter*
Valuation of inventory	
The group develops properties at a number of sites incurring significant costs. These are required to be valued at the lower of cost and net realisable value.	We reviewed the additions to the inventory value during the year ensuring that the amounts recognised were appropriate and accounted for correctly. In addition we reviewed the assessed realisable value of the developments for indications of potential impairment in the carrying value of the inventory by reference to agents' valuations and market trends and data.
Revenue recognition	
The group recognises revenue at the point of completion.	We reviewed sales during the year to ensure that these were recognised in line with the stated revenue recognition policy. We reviewed revenue recognised post year end to ensure cut-off had been suitably applied.
Going concern	
The financial statements have been prepared on a going concern basis as discussed in the notes to the financial statements. Historically, the Group has been loss making, and has raised capital and taken out borrowings to fund costs during an extended growth phase. Accumulated losses shown in the Consolidated Balance Sheet totalled £2,610,307 as at 31 March 2019. We included the going concern assumption as a key audit matter as it relies on existing cash reserves and revenue growth generating sufficient cashflows to cover necessary expenditure.	In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others: • Assessing the cash flow requirements of the Group over the next 12 months based on budgets and forecasts. • Understanding what forecast expenditure is committed and what could be considered discretionary. • Considering the liquidity of existing assets on the balance sheet. • Considering the terms of the bank loan and trade finance facilities and the amount available for drawdown. • Considering the continued support of the Directors and Related Party Loans.

Our application of materiality
The materiality that we used for the consolidated financial statements was £92,000 (2018: £125,000). We determine materiality using 2% of the total assets of the Group (2018: 2% of total assets), which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We report to the director's all corrected and uncorrected misstatements we identified through our audit with a value in excess of £4,600 (2018: £2,000), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit
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. In addition, we read all the financial and non-financial information in the Chairman's statement, Strategic report and Directors' report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implication for our report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the group financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our audit report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Moyser FCCA ACA (Senior statutory auditor)
for and on behalf of
MHA Macintyre Hudson
Chartered Accountants and Statutory Auditors
Equipoise House
Grove Place
Bedford
MK40 3LE

27 September 2019

Trafalgar Property Group Plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2019

	Note	**Year ended 31 March 2019 £**	Year ended 31 March 2018 £
Revenue		2,123,500	906,484
Cost of sales		(2,392,360)	(880,846)
Gross (loss)/profit		(268,860)	25,638
Administrative expenses		(472,932)	(440,014)
Operating (loss)		(741,792)	(414,376)
(Loss) before interest		(741,792)	(414,376)
Other income	2	4,689	8,200
Exceptional items	19	(1,559,319)	-
Interest payable and similar charges	5	-	(18,727)
(Loss) before taxation		(2,296,422)	(424,903)
Tax payable on (loss) on ordinary activities	6		-
(Loss) after taxation for the year attributable to equity holders of the parent		(2,296,422)	(424,903)
Other comprehensive income attributable to equity holders of the parent		-	-
Total comprehensive (loss) for the year		(2,296,422)	(424,903)
(Loss) attributable to:			
Equity holders of the Parent		(2,296,422)	(424,903)
Total comprehensive (loss) for the year attributable to:			
Equity holders of the Parent		(2,296,422)	(424,903)
(LOSS) PER ORDINARY SHARE:			
Basic/diluted	7	(0.54)p	(0.10)p

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

The notes on pages 18 to 35 are an integral part of these consolidated financial statements.

Trafalgar Property Group Plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2019

	Note	**31 March 2019** **£**	31 March 2018 £
TOTAL ASSETS			
Non-current assets			
Property, plant and equipment	8	**1,339**	2,079
		1,339	2,079
Current assets			
Inventory	11	**4,481,230**	7,792,611
Trade and other receivables	9	**92,092**	94,844
Cash at bank and in hand	10	**32,800**	458,209
		4,606,122	8,345,664
Total assets		**4,607,461**	8,347,743
EQUITIES & LIABILITIES			
Current liabilities			
Trade and other payables	12	**442,203**	394,255
Borrowings	13	**2,502,462**	3,108,510
		2,944,665	3,502,765
Non-current liabilities			
Deferred tax	6	**-**	291,045
Borrowings	13	**4,273,103**	4,867,818
Total liabilities		**7,217,768**	8,661,628
Equity attributable to equity holders of the Company			
Called up share capital	14	**2,570,567**	2,570,567
Share premium account	15	**2,510,462**	2,510,462
Reverse acquisition reserve		**(2,817,633)**	(2,817,633)
Profit & loss account		**(4,873,703)**	(2,577,281)
Total Equity		**(2,610,307)**	(313,885)
Total Equity & Liabilities		**4,607,461**	8,347,743

These financial statements were approved by the Board of Directors and authorised for issue on 27 September, 2019 and are signed on its behalf by:

P Treadaway: ………………………………………. J Dubois: ……………………………………………

The notes on pages 18 to 35 are an integral part of these consolidated financial statements.

Trafalgar Property Group Plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Share capital	Share premium	Reverse acquisition reserve	Retained profits /(losses)	Total equity
	£	£	£	£	£
At 1 April 2017	2,383,752	1,165,463	(2,817,633)	(2,152,378)	(1,420,796)
Loss for the year	-	-	-	(424,903)	(424,903)
Total comprehensive income for the year	-	-	-	(424,903)	(424,903)
Issue of shares	186,815	1,344,999	-	-	1,531,814
Share issue costs	-	-	-	-	-
At 31 March 2018	2,570,567	2,510,462	(2,817,633)	(2,577,281)	(313,885)
At 31 March 2018	2,570,567	2,510,462	(2,817,633)	(2,577,281)	(313,885)
(Loss) for year	-	-	-	(2,296,422)	(2,296,422)
Total comprehensive (loss) for the year	-	-	-	(2,296,422)	(2,296,422)
Issue of shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
At 31 March 2019	2,570,567	2,510,462	(2,817,633)	(4,873,703)	(2,610,307)

The reverse acquisition reserve was created in accordance with IFRS3 'Business Combinations'. The reserve arises due to the elimination of the Company's investment in Trafalgar New Homes Ltd (formerly Combe Bank Homes Limited). Since the shareholders of Trafalgar New Homes Ltd became the majority shareholders of the enlarged group, the acquisition is accounted for as though there is a continuation of the legal subsidiary's financial statements. In reverse acquisition accounting, the business combination's costs are deemed to have been incurred by the legal subsidiary.retained profit/(losses) – Relate to the profits/ losses earned by the business that have not been distributed and have built up over the years of trading.

For the purpose of preparing the consolidated financial statement of the Group, share capital represents the nominal value of the issued share capital of 0.1p per share (2018: 0.1p per share). Share premium represents the excess over nominal value of the fair value consideration received for equity shares net of expenses plus deferred shares of 0.9p after issued share capital of 1p.

The notes on pages 18 to 35 are an integral part of these consolidated financial statements.

Trafalgar Property Group Plc

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	2019	2018
	£	£
Cash flow from operating activities		
(Loss) after taxation	(2,296,422)	(424,903)
Depreciation	740	447
Decrease/(increase) in stocks	3,494,598	(517,488)
Decrease in debtors	2,752	3,371
Increase in creditors	47,948	160,546
Interest paid	145,434	18,727
Net cash outflow from operating activities	1,395,050	(759,300)
Investing activities		
Purchase of tangible fixed assets	-	-
Net cash used in investing activities	-	-
Taxation	(291,045)	-
Financing activities		
(Repayment)/new loans in year	(1,520,763)	931,367
Director loan cash injected	320,000	204,061
Interest paid	(328,651)	(18,727)
Net cash (outflow)/inflow from financing	(1,529,414)	1,116,710
Increase/(Decrease) in cash and cash equivalents in the year	(425,409)	357,401
Cash and cash equivalents at the beginning of the year	458,209	100,808
Cash and cash equivalents at the end of the year	32,800	458,209

The notes on pages 18 to 32 are an integral part of these consolidated financial statements.

BASIS OF ACCOUNTING

These financial statements are for Trafalgar Property Group Plc (“the Company”) and its subsidiary undertakings (‘the Group’). The Company is a public company, limited by shares and incorporated in England and Wales. (company number is 04340125). The Company’s registered office is Chequers Barn, Bough Beech, Edenbridge, Kent, TN8 7PD.

The nature of the Group’s operations and its principal activities are set out in the Strategic Report on page 3.

BASIS OF PREPARATION

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the European Union (“EU”) and as applied in accordance with the provisions of the Companies Act 2006. These financial statements are for the year ended 31 March 2019 and are presented in pounds sterling (“GBP”). The comparative year is for the year to 31 March 2018.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

GOING CONCERN

The Directors have reviewed forecasts and budgets for the coming year, which have been drawn up with appropriate regard for the current economic environment and the particular circumstances in which the Group operates. These were prepared with reference to historical and current industry knowledge, taking into account future strategy of the Group.

The Group continues to utilise banking sources for the financing of its developments, together with loans from third party investors, to ensure that there is sufficient money available for the Group to undertake and complete its various developments.

The Group do not operate an overdraft facility but borrow on a site specific basis from various bankers, with a mix of loans from outside investors geared to some of the development properties and otherwise loaned on a general basis to the Group.

The Board is comfortable with the structure of its bank finance, which usually involves the bank lending a modest sum towards the land purchase for the modest sized residential development schemes, with the Group putting up the rest of the funds required to acquire the site and the costs associated with the acquisition and then for the bank to provide 100% of the build finance. However, difficulties have been experienced in the raising of finance for the substantial larger extra care/assisted living schemes which the group wishes to undertake and the group is accordingly actively seeking the finance for such developments at the present time.

Investor loans that are not related to specific sites are long term loans with repayment dates extending beyond the year end and have, in the past, been renewed when they come up for repayment.

The existing operations have been generating funds to meet short-term operating cash requirements and management are confident that the expected sales will allow the Group to meet loan repayments due within the next twelve months or that the loans will be refinanced.

As a result of these considerations, at the time of approving the financial statements, the Directors consider that the Company and the Group have sufficient resources to continue in operational existence for the foreseeable future.

However given that a degree of uncertainty exists in the timing of future sales, and management’s ability to refinance all loans due in the next twelve months, there exists a material uncertainty in relation to the going concern basis adopted in the preparation of the financial statements.

REVENUE RECOGNITION

Revenue represents the amounts receivable from the sale of properties during the year and other income directly associated with property development. Revenue from the sale of properties is recognised when the amounts of revenue and cost can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, neither continuing managerial involvement nor effective control of the property is retained and it is probable that the economic benefits associated with the sale will flow to the group/company. In the majority of cases properties are treated as sold and profits are recognised at the point of legal completion.

The Directors are of the opinion that this accounting policy accurately reflects commercial reality and the recording of revenue for the group.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The financial statements comply with IFRS as adopted by the European Union. A number of new and revised Standards and Interpretations have been adopted in the current period by the Group for the first time and do not have a material impact on the group.

The following new standards and amendments to standards and interpretations have been issued but are not yet effective and not early adopted. None of these are expected to have a significant effect on the financial statements of the Group.

IFRS 3 Amendments resulting from Annual Improvements 2015-2017 Cycle	1 January 2019
IFRS 11 (re measurement of previously held interest)	
IFRS 9 Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	1 January 2019
IFRS 16 Leases – new standard	1 January 2019
IAS 12 Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)	1 January 2019
IAS 19 Amendments regarding plan amendments, curtailments or settlements	1 January 2019
IAS 23 Amendments resulting from Annual Improvements 2015–2017 Cycle (intended use or sale)	1 January 2019
IAS28 Amendments regarding long-term interests in associates and joint ventures	1 January 2019

Applied in year

IFRS 15
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the good or services. The Group has adopted IFRS 15 in full at the date of initial application (1 January 2018) but this has not had any impact on the recognition of income.

IFRS 9
IFRS 9 establishes a framework of the recognition and measurement, impairment, derecognition and general hedge accounting. It replaces IAS 39 Financial Instruments: Recognition and Measurement. The Group has adopted IFRS 9 in full at the date of initial application (1 January 2018) and elected to apply the limited exemptions in IFRS 9 relating to classification, measurement and impairment requirements for financial instruments, and accordingly comparative periods have not been restated and remain in line with the previous standard IAS 39 Financial Instruments: Recognition and Measurement.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Trafalgar Property Group Plc and its subsidiaries.

The results of subsidiaries acquired during the year are included from the effective date of acquisition, being the date on which the Group obtains control. They are deconsolidated on the date that control ceases.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. This fair value includes any contingent consideration. Acquisition-related costs are expensed as incurred.

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. If the consideration is less than the fair value of the assets and liabilities acquired, the difference is recognised directly in the Statement of Comprehensive Income.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean the amounts previously recognised in other comprehensive income are reclassified to profit or loss.

FUNCTIONAL CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling (£), which is the Company's functional and the Group's presentation currency.

OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated before interest and tax.

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds

FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual term expire. The Company's accounting policies in respect of financial instruments transactions are explained below:
Financial assets and financial liabilities are initially measured at fair value.

Financial assets:
All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss
All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost
Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or FVTOCI, lease receivables, amounts due from customers under construction contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL on all financial instruments where there has been a significant increase in credit risk since initial recognition. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contract, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased, the following shall be taken into account:
- Actual or expected significant deterioration in the financial instrument's external or internal credit rating; or
- Significant deterioration in external market conditions; or
- Existing or forecast adverse changes in business, financial or economic conditions that will impact the debtor's ability to meet debt obligations; or
- Actual or expected deterioration in the operating results of the debtor; or
- Actual or expected significant adverse changes in the regulatory or technological environment of the debtor that will impact the debtor's ability to meet debt obligations.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in the national or local economic conditions that correlate with default on receivables.

Financial liabilities:

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation estimates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and deposits held at call with banks.

INVENTORIES

Inventories consist of properties under construction and are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Interest on sums borrowed that finance specific projects is added to cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets using the reducing balance method over their expected useful economic lives. The rates generally applicable are:

Fixtures, fittings and equipment - 25% on reducing balance

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and are subsequently reassessed at the end of each accounting year. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. Impairment is estimated by management based on prior experience and the current economic environment.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

TRADE PAYABLES

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to be completed for sale, are added to the cost of property held as stock at the year end. All other borrowing costs are recognised in the statement of comprehensive income in the year in which they relate.

EQUITY INSTRUMENTS

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Shares issued are held at their fair value.

CURRENT AND DEFERRED TAXATION

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

SHARE CAPITAL

Ordinary share capital is classified as equity. Interim ordinary dividends are recognised when paid and final ordinary dividends are recognised as a liability in the year in which they are approved.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

COMMITMENTS AND CONTINGENCIES

Commitments and contingent liabilities are disclosed in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is virtually certain.

SUBSEQUENT EVENTS

Events subsequent to the year end that provide additional information about the Group’s position at the reporting date and are adjusting events are reflected in the financial statements. Events subsequent to the year end that are not adjusting events are disclosed in the notes when material.

Since the year end TR+ entered into a guarantee agreement for £ 360,000 for funds supplied by Mr C Johnson being a deposit forfeited by Randell House Ltd, a subsidiary of TR+. This is related to the acquisition of an assisted living site in Camberley Surrey, where the acquisition was not completed.

The Group has raised an additional £ 250,000 less costs by issuing a further 62,500,000 Ordinary 0.1p shares by way of a share issue made on 31st May, 2019.

Mr C Johnson and Mr A D Johnson both resigned as Directors in this Group on 27th May, 2019 but both remain officers and shareholders within the associated companies as named in Note 7 pages 41 to these accounts.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group financial statements are disclosed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the present circumstances.

Valuation of Inventory

The Group assesses the net realisable value of inventories under development and completed properties held for sale according to their recoverable amounts based on the realisability of these properties, taking into account estimated costs to completion based on past experience and committed contracts and estimated net sales based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The carrying value is reduced by its selling price less costs to complete and sell. This impairment loss is recognized immediately in the Statement of Comprehensive Income. The assessment requires the use of judgment and estimates. The carrying amount of inventory is disclosed in note 11 to the financial statements.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Impairment of non financial assets

At each statement of financial position date the company reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 SEGMENTAL REPORTING

For the purpose of IFRS 8, the chief operating decision maker ("CODM") takes the form of the Board of Directors. The Directors' opinion of the business of the Group is as follows.

The principal activity of the Group was property development. All the Group's non-current assets are located in the UK.

Based on the above considerations, there is considered to be one reportable segment. The internal and external reporting is on a consolidated basis with transactions between Group companies eliminated on consolidation. Therefore the financial information of the single segment is the same as that set out in the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position and cashflows.

Revenue

An analysis of revenue is as follows:

The Group's revenue, which is all attributable to their principal activity, can be split as follows:

	2019	2018
	£	£
Development sales	2,123,500	906,484
Rental income	4,689	8,200
	2,128,189	914,684

Timing of revenues are as follows:

	2019	2018
	£	£
Goods transferred at a point in time	2,123,500	906,484
Services transferred over time	4,689	8,200
	2,128,189	914,684

Revenues analysed by geographic location are as follows:

	2019	2018
	£	£
United Kingdom	2,128,189	914,684

2 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Rental income & ground rent	4,689	8,200
	4,689	8,200

3 LOSS FOR THE YEAR

Operating loss is stated after charging / (crediting) the following:

	2019	2018
	£	£
Subcontractor costs and cost of inventories recognised as an expense	**2,063,709**	556,291
Interest charges	**328,651**	324,555
	2,392,360	880,846
Depreciation of property, plant and equipment	**740**	447
Auditor's remuneration – audit services	**10,000**	10,000
Auditor's remuneration – taxation services	**6,000**	7,000
	16,000	17,000
Operating expenses by nature:		
Subcontractors costs, interest and consumables	**2,392,360**	880,846
Employee expenses	**169,054**	168,774
Depreciation	**740**	447
Other expenses	**1,862,457**	289,520
	4,424,611	1,339,587

4 EMPLOYEES AND DIRECTORS' REMUNERATION

Staff costs during the year were as follows:

	2019	2018
	£	£
Directors' remuneration	**75,000**	75,000
Wages and salaries	**63,000**	63,000
Social security costs	**11,394**	11,945
Other pension costs	**19,660**	18,830
	169,054	168,774

The average number of employees of the company during the year was:

	2019	2018
	Number	Number
Directors and management	**6**	4

Key management are the Group's Directors. Remuneration in respect of key management was as follows:

	2019	2018
	£	£
Short-term employee benefits:		
- Emoluments for qualifying services C C Johnson	**-**	-
- Emoluments for qualifying services A Johnson	65,617	65,574
- Emoluments for qualifying services J Dubois	15,907	15,943
	81,524	81,517

There are retirement benefits accruing to Mr C C Johnson for whom a company contribution was paid during the year of £18,000 (2018: £18,000) and Mr A Johnson £ 1,200 (2018: £600).

Consultancy fees of £ 4,994 (2018: £4,994) were paid to Mr N Lott during the year.

5 INTEREST PAYABLE AND SIMILAR CHARGES

During the year the interest paid on borrowings relating to ongoing developments was capitalised as part of inventory £ 183,217 (2018: £324,555) with the interest on properties sold in the year forming part of cost of sales and transferred to profit & loss accordingly.

For sites where the construction had been completed, the interest paid of £ 145,434 (2018: £18,727) has been accounted for in the profit & loss within cost of sales together with an impairment provision of £ 126,661 (2018: Nil) on account of the reduction of likely selling prices being achieved since the year end.

6 TAXATION

	2019	2018
	£	£
Current tax	**-**	-
Tax charge	**-**	-

	2019	2018
	£	£
(Loss)/profit on ordinary activities before tax	**(2,296,422)**	(424,903)
Based on (loss) for the year:		
Tax at 19% (2018: 19%)	**(436,320)**	(80,732)
Unrelieved tax losses	**138,799**	80,732
Impairment	**296,271**	-
Disallowable expenses	**1,250**	-
Tax charge for the year	**-**	-

Deferred tax

The deferred tax liability recognised in 2018 of £ 291,045 to reflect timing differences on the future tax liability arising as a result of the uplift in the fair value of the options acquired as part of the Trafalgar Retirement + acquisition has been reversed due to the impairment review performed by management (note 8, page 42).

No deferred tax asset has been recognised in respect of historical losses due to the uncertainty in future profits against which to offset these losses. As at the 31 March 2019, the group had cumulative tax losses of £3,364,609 (2018: £2,634,086) that are available to offset against future taxable profits.

7 (LOSS) PER ORDINARY SHARE

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

	2019	2018
	£	£
(Loss) for the year	**(2,296,422)**	(424,903)
Weighted average number of shares for basic (loss) per share	**425,190,380**	425,190,380
Weighted average number of shares for diluted (loss) per share	**425,190,380**	425,190,380
(LOSS) PER ORDINARY SHARE:		
Basic	**(0.54)p**	(0.10)p
Diluted	**(0.54)p**	(0.10)p

8 PROPERTY, PLANT AND EQUIPMENT

Fixtures and fittings	**2019**	2018
	£	£
Cost		
At 1 April	**6,205**	5,467
Additions	**-**	738
At 31 March	**6,205**	6,205
Depreciation		
At 1 April	**4,126**	3,679
Charge for the year	**740**	447
At 31 March	**4,866**	4,126
Net book value at 31 March	**1,339**	2,079

9 TRADE AND OTHER RECEIVABLES

	2019	2018
	£	£
Other receivables	**75,389**	66,192
Other taxes	**14,629**	24,327
Prepayment	**2,074**	4,325
	92,092	94,844

There are no receivables that are past due but not impaired at the year-end. There are no provisions for irrecoverable debt included in the balances above.

10 CASH AND CASH EQUIVALENTS

All of the Group's cash and cash equivalents at 31 March 2019 are in sterling and held at floating interest rates.

	2019	2018
	£	£
Cash and cash equivalents	**32,800**	458,209

The Direct ors consid

er that the carrying amount of cash and cash equivalents approximates to their fair value.

11 INVENTORY

	2019	2018
	£	£
Work in progress	**4,481,230**	7,792,611

See note 5 for details of interest capitalised as part of the value of inventory.

12 TRADE AND OTHER PAYABLES

	2019	2018
	£	£
Trade payables	**21,602**	82,145
Accruals	**411,990**	278,468
PAYE, & other taxes	**6,149**	6,288
Other payables	**2,462**	27,354
	442,203	394,255

13 BORROWINGS

	2019	2018
	£	£
Directors' loans	**2,693,103**	3,167,818
Other loans	**1,580,000**	1,700,000
Bank and other loans (less than 1 year)	**2,502,462**	3,108,510
	6,775,565	7,976,328

Included in Directors' loans is the sum of £ 300,000 (2018: £300,000) advanced by the DFM Pension Scheme of which Mr J Dubois is the principal beneficiary. This loan bears interest at 12% per annum (2018: 12% per annum).

Included in Directors' loans is the sum of £ nil (2018: £697,161) drawn down from a £835,000 loan facility advanced by Lloyds Bank and which is linked to the Speldhurst development. The loan was made in the name of A Johnson as the Speldhurst property is held in his name, and bears interest at 5.2% above base rate per annum. During the year the loan was repaid.

The remaining balance is disclosed in note 16.

Included in other loans is £ 980,000 (2018: £1,100,000) advanced by Mr. G Howard (son-in-law of Mr. C C Johnson) to the company at a rate of 10% per annum (2018: 10% pa). £ 600,000 (£2018: £600,000) has been advanced by C Rowe, an employee of the group, at a rate of 10% per annum.

Lloyds Bank hold a legal charge over land at Wellesley Road, Sheerness, Kent, together with charges over two term life policies on two of the Directors. Bridgeco holds a legal charge on the site known as Saxons, Speldhurst, Kent and Ratesetter holds a legal charge on the site known as Burnside, Tunbridge Wells, Kent and Alexander Stables, Hildenborough, Kent.

The bank borrowings are repayable as follows:

	2019	2018
	£	£
On demand or within one year	**2,502,462**	3,082,010
In the second year	**-**	-
In the third to fifth years inclusive	**-**	-
After five years	**-**	-
	2,502,462	3,082,010
Less amount due for settlement within 12 months (included in current liabilities)	**2,502,462**	3,082,010
Amount due for settlement after 12 months	**-**	-

The weighted average interest rates paid on the bank loans were as follows:

Bank loans: - 7.18% (2018: 4.23%)

All of the Directors' loans are repayable after more than 1 year. All loans are interest bearing and charged accordingly. However Mr C C Johnson has waived his right to interest in the year and as a result interest of £ Nil (2018: £ Nil) was paid to Mr C C Johnson. The rate of interest on the loan is 5% pa (2018: 5% pa). Interest of £36,000 (2018: £36,000) was paid to Mr J Dubois at the rate of 12% pa (2018: 12% pa).

14 SHARE CAPITAL

Authorised Share Capital

	2019 Number	2018 Number
Ordinary shares of 0.1p in issue	**425,190,380**	238,375,200
Deferred shares of 0.9p in issue	**238,375,200**	238,375,200
<u>Sub division</u>		
Ordinary shares of 0.1p	**-**	238,375,200
Deferred shares of 0.9p	**-**	238,375,200
Additional ordinary shares issued as part of acquisition	**-**	186,815,180
	663,565,580	425,190,380

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

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

Issued, allotted and fully paid

	2019 £	2018 £
Ordinary shares	**425,190**	2,383,752
Deferred shares	**2,145,377**	-
Issued in year – Ordinary shares as part of acquisition	**-**	186,815
	2,570,567	2,570,567

15 SHARE PREMIUM ACCOUNT

	2019 £	2018 £
Balance brought forward	**2,510,462**	1,165,463
Premium on issue of new shares	**-**	1,344,999
Share issue costs	**-**	-
Balance carried forward	**2,510,462**	2,510,462

16 RELATED PARTY TRANSACTIONS

Mr C C Johnson holds 43.94% (2018: 43.94%) of the total issued share capital of the Group as at 31st March, 2019

Mr D C Stocks holds 18.89% (2018: 18.89%) of the total issued share capital of the Group as at 31st March, 2019

Mr P Treadaway holds 25.04% (2018: 25.04%) of the total issued share capital of the Group as at 31st March, 2019.

Further details relating to an issue of shares post year end can be found under accounting policies on page 24.

The following working capital loans have been provided by the Directors:

	2019	2018
	£	£
C C Johnson		
Opening balances	**2,170,657**	2,168,802
Loan repayments	**-**	-
Personal drawings	**(73,511)**	(48,145)
Capital injected	**320,000**	50,000
Interest payable	**-**	-
Balance carried forward	**2,417,146**	2,170,657
J Dubois -	**300,000**	300,000
D Stocks -	**(23,935)**	26,500
P Treadaway	**(108)**	21,693
Balance carried forward	**2,693,103**	2,518,850

Mr Johnson's Loan bore interest during the year at 5% (2018: 5% pa), but he has chosen to forego the interest in the year. Mr Dubois's Loan, which is from his Pension Fund of which he is the sole beneficiary, was at 12% pa interest (2018: 12% pa). Mr Stocks' & Mr Treadaway's loans bore no interest.

The development at Speldhurst was acquired in the name of A Johnson and is held in trust by him on behalf of the Group, together with a Lloyds Bank loan facility for up to £ 835,000 connected to this development which has been repaid in the year (2018: £ 697,161).

During the year rents were paid of £ 10,259 (2018; £ 10,000) to the Combe Bank Homes Pension Scheme which owns the freehold offices at Chequers Barn. Mr C C Johnson is a Trustee and Beneficiary of that Pension Scheme.

17 SHARE OPTIONS AND WARRANTS

There are no share options or warrants.

18 CATEGORIES OF FINANCIAL INSTRUMENTS

The only impact of IFRS 9 was in relation to reclassification and is documented in the tables below:

As at 1 April 2018			**IFRS 9 measurement category**	
	Previously reported (see note below)	**Fair value through profit or loss**	**Amortised cost**	**Fair value through OCI**
		£	**£**	**£**
IAS 39 measurement category				
Loans and receivables				
Trade receivables	**86,327**	**-**	**86,327**	**-**
Cash and cash equivalents	**(6,740,092)**		**(6,740,092)**	**-**
	(6,653,765)		**(6,653,765)**	
Amortised cost				

Trade and other payables	(178,675)	-	(178,675)	-
	(178,675)		(178,675)	

As at 31 March 2018			**IFRS 9 measurement category**	
	Previously reported (see note below)	**Fair value through profit or loss**	**Amortised cost**	**Fair value through OCI**
		£	**£**	**£**
IAS 39 measurement category				
Loans and receivables				
Trade receivables	**66,192**	**-**	**66,192**	**-**
Cash and cash equivalents	**(7,518,119)**	**-**	**(7,518,119)**	**-**
	(7,451,927)		**(7,451,927)**	**-**
Amortised cost				
Trade and other payables	**(458,209)**	**-**	**(458,209)**	**-**
	(458,209)	**-**	**(458,209)**	**-**

As at 31 March 2019		**IFRS 9 measurement category**	
	Fair value through profit or loss	**Amortised cost**	**Fair value through OCI**
	£	**£**	**£**
IAS 39 measurement category			
Loans and receivables			
Trade receivables	**-**	**75,389**	**-**
Cash and cash equivalents	**-**	**(6,742,765)**	**-**
		(6,667,376)	**-**
Amortised cost			
Trade and other payables	**-**	**(436,054)**	**-**
	-	**(436,054)**	**-**

Capital risk management

The Group considers its capital to comprise its share capital and share premium. The Group's capital management objectives are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed on pages 18 to 25 to these financial statements.

Foreign currency risk

The Group has minimal exposure to the differing types of foreign currency risk. It has no foreign currency denominated monetary assets or liabilities and does not make sales or purchases from overseas countries.

Interest rate risk

The Group is sensitive to changes in interest rates principally on the loans from Lloyds Bank, Rate Setter and Bridgeco where interest is charged on a variable rate basis.

The impact of a 100 basis point increase in interest rates on these loans would result in additional interest cost for the year of £ 25,025 (2018: £37,792).

Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group.

Liquidity risk management

This is the risk of the Group not being able to continue to operate as a going concern.

The Directors have, after careful consideration of the factors set out above, concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements and the financial statements do not include any adjustments that would result if the going concern basis was not appropriate.

Derivative financial instruments
The Group does not currently use derivative financial instruments as hedging is not considered necessary. Should the Group identify a requirement for the future use of such financial instruments, a comprehensive set of policies and systems as approved by the Directors will be implemented.

Financial liabilities

	Carrying amount £	**Within 1 year or on demand £**	**Over 1 Year but less than 5 years £**
Trade payables	436,054	436,054	
Borrowings – Directors' loan	2,693,103		2,693,103
Borrowings – Bank loan	2,502,462	2,502,462	
Borrowings – Other loans	1,580,000		1,580,000
Total	**7,211,619**	**2,938,516**	**4,273,103**

Derivative financial instruments

The Group does not currently use derivative financial instruments as hedging is not considered necessary. Should the Group identify a requirement for the future use of such financial instruments, a comprehensive set of policies and systems as approved by the directors will be implemented.

19 EXCEPTIONAL ITEM

As disclosed in note 8 page 42, management have performed a review of the assets of its trading subsidiaries. This assessment concluded that the land options in Trafalgar Retirement+ should be written down to zero. Consequently, inventory valued at 31 March 2018 of £ 1,850,364 less potential deferred tax of £ 291,045 has been written off in the financial statements.

20 NET DEBT RECONCILIATION

	2019 £	2018 £
Cash at bank	**32,800**	458,209
Cash and cash equivalents	**32,800**	458,209
Borrowing repayable within one year (including overdrafts)	**(6,775,565)**	(7,976,328)
Net Debt	**(6,742,765)**	(7,518,119)

Cash and	**Gross**	**Total cash**

	liquid investments	borrowings with a fixed interest rate	and liquid investments
£	£	£	
Net debt as at 1 April 2018	**100,808**	**(6,840,900)**	**(6,740,092)**
Cash flows	**357,401**	**(1,135,428)**	**(778,027)**
Net debt as at 31 March 2018	**458,209**	**(7,976,328)**	**(7,518,119)**
Cash flows	**(425,409)**	**1,200,763**	**775,354**
Net debt as at 31 March 2019	**32,800**	**6,775,565**	**(6,742,765)**

Trafalgar Property Group Plc

COMPANY BALANCE SHEET

For the year ended 31 March 2019

	Note	2019	2018
		£	£
FIXED ASSETS			
Investments	7	**-**	2,354,732
		-	2,354,732
Current assets			
Stocks		**5,292**	5,292
Debtors	9	**278,363**	275,996
Cash at bank and in hand		**9,561**	68,723
		293,216	350,011
Creditors: amounts falling due within one year	10	**995,543**	875,726
Net current liabilities		**(702,327)**	(525,715)
Net (liabilities)/assets		**(702,327)**	1,829,017
Capital and reserves			
Called up share capital	12	**2,570,567**	2,570,567
Share premium account	13	**2,510,462**	2,510,462
Profit and loss account	14	**(5,783.356)**	(3,252,012)
Equity – attributable to the owners of the Parent	15	**(702,327)**	1,829,017

The loss for the financial year dealt with in the financial statements of the Parent Company was £ 2,531,344 (2018: Loss £1,733,709).

The financial statements were approved by the Board of Directors on 27 September, 2019 and authorised for issue and are signed on its behalf by:

P Treadaway: ………………………………………. J Dubois: ……………………………………………

Company Registration Number: 04340125

The notes on pages 39 to 45 form an integral part of these financial statements

Trafalgar Property Group Plc
COMPANY STATEMENT OF CHANGES IN EQUITY
31 March 2019

	Share capital	Share premium	Reverse acquisition reserve	Retained profits /(losses)	Total equity
	£	£	£	£	£
At 1 April 2017	2,383,752	1,165,463	-	(1,518,303)	2,135,800
Loss for the year	-	-	-	(1,733,709)	(104,888)
Total comprehensive income for the year	-	-	-	(1,733,709)	(104,888)
Issue of shares	186,815	1,344,999	-	-	1,531,814
Share issue costs	-	-	-	-	-
At 31 March 2018	2,570,567	2,510,462	-	(3,252,012)	1,829,017
At 1 April 2018	2,570,567	2,510,462	-	(3,252,012)	1,829,017
Loss for year	-	-	-	(2,531,344)	(2,531,344)
Total comprehensive income for the year	-	-	-	(2,531,344)	(2,531,344)
Issue of shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
At 31 March 2019	2,570,567	2,510,462	-	(5,783,356)	(702,327)

For the purpose of preparing the consolidated financial statement of the Group, the share capital represents the nominal value of the issued share capital of 0.1p per share and 0.9p per share deferred (2018: 1p per share). Share premium represents the excess over nominal value of the fair value consideration received for equity shares net of expenses of the share issue. Retained earnings represent the cumulative value of the profits not distributed to shareholders, but retained to finance the future capital requirements of the Company.

The notes on pages 39 to 45 form an integral part of these financial statements.

Trafalgar Property Group Plc

CASHFLOW

for the year ended 31 March 2019

	2019	2018
	£	£
Cash flow from operating activities		
Operating loss	**(176,612)**	(1,733,709)
Operating loss before working capital changes	**(176,612)**	(1,733,709)
Impairment of investment	-	1,500,606
Decrease/(Increase) in stocks	**2,354,732**	(5,292)
(Increase)/decrease in impairments	**(2,354,732)**	-
(Increase) in debtors	**(2,367)**	(19,260)
(Decrease)/Increase in creditors	**(66,000)**	317,375
Net cash (outflow)/inflow from operating activities	**(244,979)**	59,720
Income tax paid	**-**	-
Net cash (outflow)/inflow from operating activities	**(244,979)**	59,720
Cashflow from investing activities	**-**	**-**
Net cash (outflow/inflow from investing activities	**(244,979)**	59,720
Cashflow from financing activities		
(Repayments)/loans from Group undertakings	**85,817**	-
Capital injected **-**	**100,000**	
Net cash (outflow)/inflow from financing	**185,817**	-
Net(decrease)/increase in cash and cash equivalents	**(59,162)**	59,720
Cash and cash equivalent at beginning of the year	**68,723**	9,003
Cash and cash equivalent at end of the year	**9,561**	68,723

The notes on pages 39 to 45 form an integral part of these financial statements.

Trafalgar Property Group Plc

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. GENERAL INFORMATION

Nature of operations
Trafalgar Property Group Plc ("the Company") is the UK holding company of a group of companies which are engaged in property development. The Company is registered in England and Wales. Its registered office and principal place of business is Chequers Barn, Bough Beech, Edenbridge, Kent TN8 7PD.

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law, FRS 102 and accounting standards. The principal accounting policies are described below. They have all been applied consistently throughout the year and preceding year.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) GOING CONCERN
The Directors have reviewed forecasts and budgets for the coming year, which have been drawn up with appropriate regard for the current economic environment and the particular circumstances in which the Company operates. These were prepared with reference to historical and current industry knowledge, taking into account future strategy of the Company and wider Group.

The existing operations have been generating funds to meet short-term operating cash requirements. As a result of these considerations, at the time of approving the financial statements, the Directors consider that the Company and the Group have sufficient resources to continue in operational existence for the foreseeable future. It is appropriate to adopt the going concern basis in the preparation of the financial statements.

As with all business forecasts, the Directors' statement cannot guarantee that the going concern basis will remain appropriate given the inherent uncertainty about the future events.

(b) INVESTMENTS
Investments held as fixed assets are stated at cost less provision for impairment.

(c) TAXATION
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(d) FINANCIAL INSTRUMENTS
Financial assets and liabilities are recognised in the statements of financial position when the Company has become a party to the contractual provisions of the instruments.

The Company's financial assets and liabilities are initially measured at fair value plus any directly attributable transaction costs. The carrying value of the Company's financial assets, primarily cash and bank balances, and liabilities, primarily the Company's payables and other accrued expenses, approximate to their fair values.

(i) Financial assets
On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as

appropriate.

Trade and other receivables
Trade and other receivables (including deposits and prepayments) that have fixed or determinable payments that are not quoted in an active market are classified as other receivables, deposits, and prepayments. Other receivables, deposits, and prepayments are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Financial liabilities and equity instruments
Financial liabilities are classified as liabilities or equity in accordance with the substance of the contractual arrangement.

Financial liabilities
Financial liabilities comprise long-term borrowings, short-term borrowings, trade and other payables and accruals, measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(e) DEBTORS AND CREDITORS
Short term debtors and creditors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and other financial liabilities, including bank loans, are all measured subsequently at amortised cost using the effective interest method, less any impairment.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities in the financial statements:

Carrying value of investments in subsidiaries and intercompany
Management's assessment for impairment of investment in subsidiaries is based on the estimation of value in use of the subsidiary by forecasting the expected future cash flows expected on each development project. The value of the investment in subsidiaries is based on the subsidiaries being able to realise their cash flow projections.

Recognition of deferred tax assets
The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

5. LOSS FOR FINANCIAL PERIOD

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented. The Company's loss for the financial period was £2,531,344 (2018: Loss £1,733,709). The Company's loss for the financial year has been arrived at after charging auditor's remuneration payable to MHA MacIntyre Hudson for audit services to the Company of £10,000 (2018: £10,000) and an impairment adjustment of £ 2,354,732 – see note 8.

6. EMPLOYEES AND DIRECTORS' REMUNERATION

	2019	2018
	£	£
Directors' fees	**15,000**	15,000
Wages and salaries	**-**	-
Social security costs	**907**	943
Management fees	**4,994**	4,994
	20,901	20,937

The average number of employees of the company during the year was:

	2019	2018
	Number	Number
Directors and management	**1**	1

There are no retirement benefits accruing to any of the Directors.

£ 4,994 (2018: £4,994) was paid to Mr Norman Lott for his professional services.

Additional directors remuneration of £60,000 (2018: £60,000) was paid to a director through subsidiary entities.

7. INVESTMENTS

	Subsidiary undertakings £
At 1 April 2018	2,354,732
Additions	-
Impairments	(2,354,732)
At 31 March 2019	-

The company owns the following undertakings, all of which are incorporated in the United Kingdom and have their registered offices at Chequers Barn, Chequers Hill, Bough Beech, Edenbridge, Kent, TN8 7PD.

	Class of share held	% shareholding	Principal activity
Held directly			
Trafalgar New Homes Limited	Ordinary shares	100%	Residential property developers
Trafalgar Retirement+ Ltd	Ordinary shares	100%	Residential property and assisted living scheme
Held indirectly through Trafalgar New Homes Limited			
Combe Bank Homes (Oakhurst) Ltd	Ordinary shares	100%	Residential property developers
Held indirectly through TR+			
Randell House Ltd	Ordinary shares	100%	Assisted living developer

	Class of share held	% shareholding	Principal activity
Controlled via Deed of Trust			
Combe Homes (Borough Green) Ltd	Ordinary shares	100%	Residential property developers

8. IMPAIRMENT

The investment carried in the Plc entity financial statements reflects the entity's control over Trafalgar New Homes Limited, Combe Bank Homes (Oakhurst) and Combe Bank (Borough Green) Limited and Trafalgar Retirement + Ltd.

There has been minimal trading in Combe Bank Homes (Oakhurst) and Combe Bank (Borough Green) Limited and both entities now hold very little inventory.

Development continues in Trafalgar New Homes Limited and there have been sales of five properties in the year, however due to the factors laid out in the Operations review, there has been some erosion of the margins that had been anticipated at the start of the year.

Management have performed a review of the assets and liabilities of the underlying subsidiaries which form the value of the investment.

In performing this assessment consideration has been given to anticipated profits on ongoing developments. In addition, the value of land options in Trafalgar Retirement + have been re-assessed. At the time of approval of the financial statements there is no confirmed planning permission on these land options.

Where the 'real' net asset value is in excess of the carrying value of the investment in the Plc entity statement of financial position, there is no indication of impairment.

Due to the uncertainties and timing of developments it has been agreed by management not to include any future anticipated profits of developments in their assessment. Therefore the net asset value of the underlying investments does not support the Trafalgar Property Group's carrying value of investments in Trafalgar New

Homes Limited, Combe Bank Homes (Oakhurst), Combe Bank (Borough Green) and Trafalgar Retirement +.

Management have concluded that an impairment of the investments is prudent and that these will be written down to zero.

9. DEBTORS

	2019 £	2018 £
Amounts owed by group undertakings	**274,304**	253,304
Other debtors	**1,136**	6,137
Other taxes and social security	**2,923**	16,555
	278,363	**275,996**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	**2,939**	73,159
Taxation and social security	**1,323**	1,325
Other creditors	**30,300**	26,078
Director's loan account – cash injected in year	**100,000**	-
Amounts owed to group undertakings	**860,981**	775,164
	995,543	875,726

11. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets		
Financial assets measured at amortised cost:		
Amounts owed by group undertakings and other debtors	**275,440**	259,441
Financial liabilities		
Financial liabilities measured at amortised cost	**994,220**	874,401

Financial liabilities include, trade creditors, other creditors and amounts due to group undertakings.

12. SHARE CAPITAL

Authorised Share Capital

	2019 Number	2018 Number
Ordinary shares of 0.1p in issue	**425,190,380**	238,375,200
Deferred shares of 0.9p in issue	**238,375,200**	238,375,200
<u>Sub division</u>		
Ordinary Shares of 0.1p	**-**	238,375,200
Deferred shares of 0.9p	**-**	238,375,200

	2019	2018
Additional shares issued as part of acquisition	**-**	186,815,180
	663,565,580	**425,190,380**

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

Issued, allotted and fully paid

	2019	2018
	£	£
Ordinary shares	**425,190**	2,383,752
Deferred shares	**[illegible]**	2,383,752
Issued in year – Ordinary shares as part of acquisition	**-**	186,815
	2,570,567	2,570,567

13. SHARE PREMIUM ACCOUNT

	2019	2018
	£	£
Balance brought forward	**2,510,462**	1,165,463
Premium on issue of new shares	**-**	1,344,999
Balance carried forward	**2,510,462**	**2,510,462**

14. PROFIT AND LOSS ACCOUNT

	2019	2018
	£	£
Balance brought forward	**(3,252,012)**	(1,518,303)
Loss for financial year	**(2,531,344)**	(1,733,709)
Balance carried forward	**(5,783,356)**	**(3,252,012)**

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2019	2018
	£	£
Loss for the financial year	**(2,531,344)**	**(1,733,709)**
Net decrease in shareholders' funds	**(2,531,344)**	**(1,733,709)**
Issue of new shares	**-**	**1,531,814**
Opening Shareholders' funds	**1,829,017**	**2,030,912**
Closing Shareholders' funds	**(702,327)**	**1,829,017**

16. INTERCOMPANY

The company has taken advantage of the exemption conferred by FRS102 Section 33 "Related Party disclosures” not to disclose transactions undertaken with other wholly owned members of the group.

Explanation of resolutions at the Annual General Meeting

Information relating to resolutions to be proposed at the Annual General Meeting is set out below. The notice of AGM is set out on page 47.

Ordinary business at the AGM

In addition to the re-election of a Director (resolution 4) and renewal of authorities to allot shares (resolutions 5 and 6), the following ordinary business resolutions will be proposed at the AGM:

(a) Resolution 1: to approve the annual report and accounts. The Directors are required to lay before the Company at the AGM the accounts of the Company for the financial year ended 31 March 2019, the report of the Directors and the report of the Company's auditors on those accounts.

(b) Resolution 2: to approve the re-appointment of MHA MacIntyre Hudson as auditors of the Company. The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next such meeting.

(c) Resolution 3: to approve the remuneration of the auditors for the next year.

Re-election of Directors

Under the Articles of Association, Directors must retire and submit themselves for re-election at the annual general meeting if they have not done so at either of the two previous annual general meetings. Following the board changes since the last annual general meeting, no Directors need to retire by rotation at this year's annual general meeting.

Directors appointed since the previous annual general meeting are required to be re-appointed at the next annual general meeting. By resolution 4, Paul Treadaway is submitted for re-appointment.

Grant of authorities to allot shares

The Company currently has an issued ordinary share capital of £425,690.38 divided into 487,690,380 Ordinary Shares of 0.1p. The Company has outstanding warrants to subscribe for 4,567,504 Ordinary Shares at 2p per share. Following the share re-organisation in March 2018, the Company also has 238,375,190 deferred shares of 0.9p in issue (£2,145,376.71 in nominal amount).

The Board proposes to renew the current authorities to allot shares, which expire at the next AGM. Accordingly, resolutions 5 and 6 are being proposed at the AGM for the purpose of (i) granting the Directors general authority to allot up to £244,000 in nominal amount (equivalent to 24,000,000 ordinary shares) and (ii) disapplying pre-emption rights in connection with the allotment of up to £97,500 in nominal amount (equivalent to 97,500,000 ordinary shares). Both authorities will provide residual authorities equivalent to approximately 50% of the current issued ordinary share capital generally and 20% of the current issued ordinary share capital for issues for cash.

TRAFALGAR PROPERTY GROUP PLC
(Registered in England No. 04340125)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting of the Company will be held at the Company's offices at Chequers Barn, Bough Beech, Edenbridge, Kent TN8 7PD at 11.00 am on 25th October 2019, for the following purposes:

RESOLUTIONS
To consider and, if thought fit, to pass resolutions 1 to 7 (inclusive) as ordinary resolutions:

1 To receive and adopt the directors' report, the auditor's report and the Company's accounts for the year ended 31 March 2019.

2 To re-appoint MHA MacIntyre Hudson as auditor in accordance with section 489 of the Companies Act 2006, to hold office until the conclusion of the Annual General Meeting of the Company in 2020.

3 To authorise the Directors to determine the remuneration of the auditor.

4 To re-appoint Paul Treadaway as a Director of the Company.

As special business, to consider and, if thought fit, to pass resolution 5 as an ordinary resolution and resolution 6 as a special resolution:

5 THAT the directors be authorised generally and unconditionally pursuant to Section 551 of the Companies Act 2006 as amended ("**2006 Act**") (in substitution for all other existing authorities to allot securities generally to the extent not utilised at the date this resolution is passed) to exercise all the powers of the Company to allot shares and/or rights to subscribe for or to convert any security into shares, provided that the authority conferred by this resolution shall be limited to the allotment of shares and/or rights to subscribe or convert any security into shares of the Company up to an aggregate nominal amount of £244,000 such authority (unless previously revoked, varied or renewed) to expire on the conclusion of the Annual General Meeting of the Company to be held in 2020 or, if earlier, 15 months after the date on which this resolution has been passed, provided that the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require shares and/or rights to subscribe for or to convert any security into shares to be allotted after such expiry and the directors may allot such shares and/or rights to subscribe for or to convert any security into shares in pursuance of such offer, agreement or other arrangement as if the authority conferred hereby had not expired.

6 THAT, subject to resolution 5 above being duly passed, in substitution for any existing and unexercised authorities, the directors be and are hereby generally empowered pursuant to Section 570 of the 2006 Act to allot equity securities (within the meaning of Section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution 5 above or by way of sale of treasury shares as if Section 561 of the 2006 Act or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to

(i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever;

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £97,500.

such authority and power (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2020, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired.

Dated: 27 September 2019

Registered Office:	By order of the Board
Chequers Barn	Nicholas Narraway
Chequers Hill	Secretary
Bough Beech	
Edenbridge	
Kent	
TN8 7PD	

Notes:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.

4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:

   (a) completed and signed;

   (b) sent or delivered to the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD; and

   (b) received by no later than 11.00 a.m. on 23 October 2019.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. To change your proxy appointment, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, you may photocopy the enclosed proxy form.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

7. In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating that you revoke your proxy appointment to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   The revocation notice must be received by no later than 11.00 a.m. on 23 October 2019.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 6.00 p.m. on 23 October 2019 shall be entitled to attend and vote at this Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at this Meeting.