

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

Interim Results
for the six months ended 30 September 2023

Trafalgar (AIM: TRAF), the AIM quoted residential property developer operating in southeast England, announces its interim results for the six months ended 30 September 2023 (the "Period").

Key financials:

- Turnover for the Period was £nil, (H1 2022: £17,798);
- Gross profit of £nil, (H1 2022: gross profit £17,798), giving a loss before tax of £214,270 (H1 2022: pre-tax loss: £444,137);
- EPS of (0.07p) (H1 2022 (0.20p); and
- Cash in bank at period end was £237,808 (H1 2022: £152,897); at 11 December 2023 cash at bank was £12,876.
- Paul Treadaway, **Chairman of Trafalgar, said:** "The construction industry in general continues to be difficult and trying to find suitable development sites for the right price is becoming harder. The continued high inflation and high interest rates also impacts the general market conditions for property.

However, the results for the six months to 30 September 2023 show some positive activity with the sale of the Group's final investment property and the continuation of the development of the site at Speldhurst."

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

Enquiries:

Trafalgar Property Group Plc
Paul Treadway

+44 (0) 1732 700 000

Spark Advisory Partners Ltd - AIM Nominated Adviser
Matt Davis/James Keeshan

+44 (0) 20 3368 3550

Peterhouse Capital Limited – Broker
Duncan Vasey/Lucy Williams

+44(0)20 7409 0930

Notes to Editors:

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

The Company's focus is on the select acquisition of land for residential property development. The Company outsources all development activities, for example the obtaining of planning permission, design and construction, and uses fixed price build contracts, enabling it to tightly control its development and overhead costs.

For further information visit www.trafalgarproperty.group.

TRAFALGAR PROPERTY GROUP PLC

INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

CHIEF EXECUTIVE'S REPORT

I present the Company's Interim Results for the six month period to 30 September 2023. Revenue for the period was £nil and cost of sales was £nil giving a gross profit for the period of £nil.

Mortgage and private loan interest was paid during the period of £31,589 of which £14,810 was capitalized as part of inventory as relating to the development at Speldhurst with a further £38,643 of loan note equity interest being accrued in the period.

The result of the above is a loss before taxation for the period of £214,270.

The directors continue to consider relevant information including the current cost-of-living crisis, higher interest rates and higher inflation, which are driving a challenging market and have performed a robust analysis of future cash flows.

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

A summary of activities in the 6 months to 30 September 2023 for the Group are as follows:

- Trafalgar New Homes has continued to develop the site at Speldhurst and the building of a single dwelling is progressing well with no adverse issues affecting the planned completion by the end of the year.
- Selmat sold the final investment property in Hildenborough in September 2023 for £940,000 before costs.
- A placing of shares was carried out in September 2023 raising a gross amount of £125,000, before costs, to be used for working capital purposes.
- The Group continues to look for opportunities in vertical farming but the cost of energy in the UK has meant the Group are widening its search to areas outside of the UK.

Paul Treadaway
Chief Executive
15 December 2023

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		6 month period ended 30 September 2023 (Unaudited)	6 month period ended 30 September 2022 (Unaudited)	Year ended 31 March 2023 (Audited)
	Note	£'000	£'000	£'000
Revenue		-	18	18
Cost of sales		-	(-)	(31)
Gross profit		-	18	(13)
Fair value movement on investment property		-	-	(123)
(Loss) on disposal of investment property		-	(6)	(12)
Administrative expenses		(159)	(380)	(572)
Underlying operating (loss)		(159)	(368)	(720)
Interest payable and similar charges		(55)	(76)	(124)
(Loss) before taxation		(214)	(444)	(844)
Tax payable on profit on ordinary activities	4	-	-	-
(Loss) after taxation for the period		(214)	(444)	(844)
Other comprehensive income				
Total comprehensive (loss) for the period		(214)	(444)	(844)
(Loss) attributable to:				
Equity holders of the parent		(214)	(444)	(844)
Total comprehensive (loss) for the period attributable to:				
Equity holders of the parent		(214)	(444)	(844)
(LOSS) PER ORDINARY SHARE;				
Basic/Diluted	5	(0.07)p	(0.20)p	(0.34)p

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

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	31 March 2023 (Audited)
	Note	£'000	£'000	£'000
Non-current assets				
Tangible fixed assets		26	1	26
		<u>26</u>	<u>1</u>	<u>26</u>
Current assets				
Inventory		496	339	318
Trade and other receivables		25	54	34
Investment properties	6	-	1,375	927
Cash at bank and in hand		238	153	17
		<u>759</u>	<u>1,921</u>	<u>1,296</u>
Total assets		<u>785</u>	<u>1,922</u>	<u>1,322</u>
EQUITIES AND LIABILITIES				
Current liabilities				
Trade and other payables		166	468	223
Borrowings		<u>875</u>	<u>760</u>	<u>875</u>
		1,041	1,228	1,098
Non-current liabilities				
Borrowings		<u>3,191</u>	<u>3,886</u>	<u>3,573</u>
Total liabilities		<u>4,232</u>	<u>5,114</u>	<u>4,671</u>
Equity attributable to equity holders of the Company				
Called up share capital	7 & 8	2,985	2,860	2,860
Share premium account		3,476	3,485	3,485
Loan note equity	7	69	145	107
Reverse acquisition reserve		(2,818)	(2,818)	(2,818)
Capital contribution reserve	9	400	158	400
Profit and loss account		<u>(7,559)</u>	<u>(7,022)</u>	<u>(7,383)</u>
Total Equity		<u>(3,447)</u>	<u>(3,192)</u>	<u>(3,349)</u>
Total Equity and Liabilities		<u>785</u>	<u>1,922</u>	<u>1,322</u>

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Loan Note equity Reserve	Reverse acquisition reserve	Retained profits /(losses)	Capital contribution reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	2,860	3,485	107	(2,818)	(7,383)	400	(3,349)
(Loss)/Profit for period	-	-	-	-	(214)	-	(214)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(214)	-	(214)
Issue of shares			-	-	-	-	
Shares issued during the period net of costs	125	(9)	-	-	-	-	116
Loan note equity			(38)	-	38	-	-
-Movement in loan note equity reserve	-	-		-	-	-	-
At 30 September 2023	2,985	3,476	69	(2,818)	(7,559)	400	(3,447)

For the purpose of preparing the consolidated financial statement of the Group, the share capital represents the nominal value of the issued share capital of 0.1p per share. Share premium represents the excess over nominal value of the fair value consideration received for equity shares net of expenses of the share issue.

The reverse acquisition reserve related to the reverse acquisition between Trafalgar Property Group plc and Trafalgar New Homes Limited on 11 November 2011.

Loan note equity further details are provided in Note 7. Capital contribution reserve details are further provided in Note 9.

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 month period ended 30 September 2023 (Unaudited) £'000	6 month period ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
Cash flow from operating activities			
Operating (loss)/profit	(214)	(444)	(844)
Depreciation charges	-	-	-
Loss on sale of investment property	-	6	12
Fair value movements on investment property	-	-	123
(Increase)/decrease in stocks	(178)	(313)	(322)
(Increase)/decrease in debtors	9	(14)	7
Increase/(Decrease) in creditors	(57)	98	95
Write-off of Inventory	-	-	30
Loan note equity movement	(39)	-	157
Interest payable	55	76	124
Net cash inflow/(outflow) from operating Activities	(424)	(591)	(618)
Investing activities			
Disposal of investment property & revaluation	927	331	650
Disposal / (Purchase) of tangible fixed assets	-	-	(25)
Net cash used in investing activities	927	331	625
Taxation		-	-
Financing activities			
Issue of shares	125	400	368
Share issue costs	(9)	(32)	-
New loan borrowings	156	91	105
Related party new loan borrowings	141	-	189
Related party loan repayment	-	-	(260)
Loan note equity movement	-	115	-
Repayment loan borrowings	(678)	(140)	(270)
Repayment other borrowings	-	-	(90)
Interest paid	(17)	(34)	(44)
Net cash flow from financing	(282)	400	(2)
Increase/(decrease) in cash and cash equivalents in the period	221	140	4
Cash and cash equivalents at the beginning of the year	17	13	13
Cash and cash equivalents at the end of the year	238	153	17

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

This financial information is for Trafalgar Property Group Plc (“the Company”) and its subsidiary undertakings. The Company is incorporated in England and Wales.

2. BASIS OF PREPARATION

The interim consolidated financial information has been prepared with regard to International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom (UK IFRS) and those parts of the Companies Act 2006 that are relevant to companies, which report in accordance with IFRS. The interim financial information incorporates the results for the Group for the six month period from 1 April 2023 to 30 September 2023. The results for the year ended 31 March 2023 have been extracted from the statutory financial statements for the Group for the year ended 31 March 2023. The financial information set out in these interim consolidated financial information does not constitute statutory accounts as defined in S434 of the Companies Act 2006. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2023, which contained an unqualified audit report and have been filed with the Registrar of Companies. They did not contain statements under S498 of the Companies Act 2006.

The same accounting policies, presentation and methods of computation have been followed in these unaudited interim financial statements as those which were applied in the preparation of the group’s annual financial statements for the year ended 31 March 2023.

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

The interim financial information for the six months ended 30 September 2023 was approved by the directors on 15 December 2023.

3. SEGMENTAL REPORTING

For the purpose of IFRS 8, the chief operating decision maker (“CODM”) takes the form of the Board of Directors. The Directors’ opinion of the business of the Group is that the principal activity of the Group was residential property development and there is considered to be one reportable geographical segment, that of property development carried on in the UK. The internal and external reporting is on a consolidated basis with transactions between Group companies eliminated on consolidation. Therefore, the financial information of the single segment is the same as that set out in the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position and cash-flows.

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

NOTES TO THE FINANCIAL INFORMATION

4. TAXATION

	6 month period ended 30 September 2023 (Unaudited)	6 month period ended 30 September 2022 (Unaudited)	Year ended 31 March 2023 (Audited)
	£'000	£'000	£'000
Current tax	-	-	-
Tax charge/(credit)	-	-	-
Loss/(profit) on ordinary activities before tax	(214)	(444)	(844)
Based on profit for the period:			
Tax at 25% (2022: 19%)	(54)	(84)	(160)
Effect of:			
Losses utilized	54	84	160
Tax charge for the period	-	-	-

No tax provision has been made on account of brought forward losses.

5. PROFIT/(LOSS) PER ORDINARY SHARE

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

	6 month period ended 30 September 2023 (Unaudited)	6 month period ended 30 September 2022 (Unaudited)	Year Ended 31 March 2023 (Audited)
	£'000	£'000	£'000
(Loss)/profit for the period	(214)	(444)	(844)
Weighted average number of shares for basic (loss)/profit per share	304,548,666	224,850,000	249,525,835
Weighted average number of shares for diluted profit/(loss) per share	304,548,666	224,850,000	249,525,835
(LOSS)/PROFIT PER ORDINARY SHARE;			
Basic	(0.07)p	(0.20)p	(0.34)p
Diluted	(0.07)p	(0.20)p	(0.34)p

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

NOTES TO THE FINANCIAL INFORMATION

6. INVESTMENT PROPERTIES

FAIR VALUE	30 September 2023	31 March 2023
	£'000	£'000
b/fwd 1 April 2023	927	1,712
Additions	-	-
Disposals	(927)	(662)
Revaluation	-	(123)
31 March	-	927
Net Book Value		
At 30 September 2023	-	-
At 31 March 2023		927
Fair value at 30 September 2023 is represented by Remaining value in 2023 (2023: at revalued amount)	-	927
LOSS ON DISPOSAL		
Fair value	927	662
Disposal proceeds including costs of sale	927	650
Loss on disposal	-	12

Properties have been assessed at Fair value basis at 31 March 2023 by using level 3 fair value hierarchy and using the selling price achieved following the sale of one leasehold property in September 2023 for £927,249. .

7. SHARE CAPITAL

Authorised Share Capital

	30 September 2023	31 March 2023
	Number	Number
Ordinary shares of 0.1p each	275,852,371	142,519,038
Issued in year:		
Ordinary shares of 0.1p	125,000,000	133,333,330
Total ordinary shares of 0.1p in issue	400,852,371	275,852,371
Deferred shares of 0.9p in issue	287,144,228	287,144,228
Deferred shares issued of 0.9p	-	-
Total deferred shares of 0.9p in issue	287,144,228	287,144,228

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

NOTES TO THE FINANCIAL INFORMATION

Equating to:	30 September 2023	31 March 2023
	£'000	£'000
Ordinary shares	276	143
Deferred shares	2,584	2,584
Issued in period - ordinary shares	125	133
Issued in period - deferred shares		
	2,985	2,860
Authorised Share Capital	30 September 2023	31 March 2023
	£'000	£'000
Called up share capital	2,985	2,860
Share premium	3,476	3,485
Loan notes equity reserve	107	107

For the purposes of preparing the consolidated interims for the Group, share capital represents the nominal value of the issued share capital of 0.1p per share (2022:0.1p 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

On 12 September 2023, the Company issued 125,000,000 new ordinary shares at 0.1p fully paid up in cash at 0.1p per share under a placing which was announced on 18 August 2023, raising £125,000 before expenses.

On the 31 July 2022 the Company agreed with Mr C C Johnson a consolidation and variation of terms of the two unsecured convertible loan notes and direct debt held by him. The conversion of the total amount owed to him by the Company (£905,000) has resulted in the issue to Mr C C Johnson of a new unsecured conversation loan note for an aggregate amount of £905,000, expiring 31 July 2024.

The new unsecured convertible loan note is convertible in full into 226,250,000 ordinary shares of 0.4p per ordinary share and can be converted by Mr Johnson, subject inter alia to his entire holding being less than 29.99 per cent of the voting rights in issue in the Company.

The new unsecured convertible loan note carried the right upon a conversion, to the grant of warrants to subscribe for ordinary shares on a one for one basis, exercisable at the conversion price for a period of two year from the date of grant.

Loan note equity reserve is the amount that has been provided for in respect of the difference between the cash value and liability element of the loan notes.

The convertible loan notes have been accounted for as having both a debt and an equity element. This results in the creation of a loan note equity reserve at the point of issue. This loan note equity reserve is the difference between the loan note value received by the company of £905,000 (2022 £800,000) and the fair value of a debt only instrument with a 10% imputed interest rate and a final settlement figure of £905,000 in July 2024. This 10% imputed interest rate of £38,643 (2022: £24,242), is managements' best estimate as to the interest rate that would be expected from the market for an unsecured loan of £905,000 without a conversion element.

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

TRAFALGAR PROPERTY GROUP PLC

CONSOLIDATED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

NOTES TO THE FINANCIAL INFORMATION

8. SHARE WARRANTS

Share warrants as at the year end relate to the convertible loan note with Mr C C Johnson, details of this arrangement are given in Note 7 to these accounts.

9. CAPITAL CONTRIBUTION RESERVE

The capital contribution reserve of £400,147 related to the renegotiation of interest accruing on loans to Mr G Howard – a related party on the year to 31 March 2023. Interest has reduced from 10% pa to 5% pa for the entire term of the loans and is now non compound. However, interest has been paid on one loan of £100,000 at the rate of 10% pa and this has not been affected and continues to be paid monthly.

10. SUBSEQUENT EVENTS

There are no subsequent events to date.