31 August 2012

Trafalgar New Homes PLC

(The "Company" and with its subsidiaries “the Group”)

Audited Final Results for the period ended 31 March 2012

CHAIRMAN’S STATEMENT

It is with great pleasure that I present the Report and Accounts for the Company for the period ended 31st March 2012.

The year has seen great changes in the Company. On 13th September 2011 completion of the Administration Procedure of the Company was announced, confirming that the Company was no longer in Administration.

On 13th October 2011 the Company announced that it had entered into a conditional agreement to acquire the entire issued share capital of Combe Bank Homes Ltd and its subsidiaries (“CBH”) by the issue of new shares in the Company. CBH was established in 2006 to undertake residential development in both new build and conversions/refurbishments.

On 11th November 2011 the Company was pleased to announce both completion of the acquisition of CBH and the re-admission of the Company’s entire issued Ordinary Share capital to trading on the PLUS-Stock Exchange.

At the same time Mr. Robert McKendrick and Mr. James Reid resigned as Directors of the Company and Christopher Johnson and Alexander Johnson, the Directors of CBH, joined the Board as Executive Directors of your Company, forming the new management team. Mr. Andrew Moore subsequently resigned his Directorship of the Company for personal reasons but continues to undertake the Company Secretarial role.

Following the issue of shares at the time of the completion of the Administration and the issue of shares for the acquisition of CBH, the Company now has 214,375,200 ordinary shares in issue.

On 6th December 2011, Mr. Norman Lott FCA was appointed a Non-Executive Director and on 17th May 2012, I was appointed as Independent Non-Executive Chairman of the Company.

I was delighted to accept the role of Chairman of this Company as I have a strong belief in the management team, having known them for many years. I believe that they will successfully pursue their stated aim to make this Company and its subsidiaries a force to be reckoned with in the house building market in the South East of England, their chosen area of operation.

The benefit of the acquisition of CBH and its subsidiaries can be seen in the results for the financial period ended 31st March 2012 which shows a post tax profit for the financial period of £208,464 (year ended 30 November 2010: loss of £903,100) and earnings of 0.1p per ordinary share (year ended 30 November 2010: loss per ordinary share of 0.47p). This is however, after writing-off £291,075 of exceptional one-off costs (year ended 30 November 2010: nil) relating to the acquisition of Combe Bank Homes Ltd.

I am encouraged by the growth strategy now in place, with development underway on sites, which are anticipated to contribute to the Company’s financial performance for the years ending March 2013 and 2014.

It leaves me now only to thank those who have served the Company through its difficult times and to congratulate my fellow board members on their efforts in achieving a positive set of results for the period under review, enabling us all to look forward to the future with optimism.

James Dubois

Chairman

Operations Review

The last year has seen the Group make great progress in fulfilling its aim to be a force in the house building market, in its chosen geographical area of operation which remains primarily Kent, East Sussex, Surrey and the outer London M25 ring.

The year under review has seen an improvement in the fortunes of house building companies generally and it is no surprise that we are no exception. However, the very satisfactory results achieved are exciting and augur well for the future.

At the start of the last financial period the Group was on site and building out developments at Deal and Aylesford in Kent and Crowborough in East Sussex and undertaking a project management role for a fee on a development in Frant Road, Tunbridge Wells, Kent. The type of housing units being developed ranged from one bed starter homes to an executive five bed detached house. The sites were all in the preferred range, being one to twenty unit sites. No flat developments were undertaken during the period. All the houses were completed and sold contributing to the turnover for the period and the profit.

The consolidated profit of £499,536 (year ended 30 November 2010: loss of £903,100) before exceptional costs of £291,075 (year ended 30 November 2010: nil) is a good start. The losses carried forward from previous years indicate that it is unlikely that there will be a tax charge in 2012 or 2013.

The success of our development activities through the period is shown in the gross profit achieved for the period under review; this profitability being further enhanced by the addition of rental income generated from some of the developments undertaken by the Group in previous periods which were retained and rented out owing to a lack lustre sales market at the time.

The period under review also saw us commence work on our flagship site at Oakhurst Park Gardens, Hildenborough, Kent and our site at Edenbridge, Kent. These two sites (of 24 units in total) should generate a substantial turnover over the two financial years ended 31.03.2013 and 31.03.2014.

During the current period, we also intend to start work on two smaller sites owned by the Company in Sheerness, Kent (six units) and Chatham, Kent (three units).

As stated in the Company's circular to shareholders dated 8th November, 2011, the declaration and payment of dividends is at the discretion of the Board and depends upon future funding requirements, profits generated and the available reserves of the Company. It remains the Board's intention to give consideration to the payment of a dividend as soon as possible.

We continue to negotiate the purchase of a number of sites, some with planning permission and some without planning consent where we are confident that we will obtain planning permission, which should result in an enhancement of the land value accordingly. We have and are entering into options and conditional contracts on land in our chosen area of operation, to ensure continuity of development activity, with a view to laying the ground work for 2015 and onwards.

The principal area of operations for the Group has remained Kent and the Southern outer London Boroughs, Surrey and East Sussex. We intend for the Group to continue its successful policy of developing property of high quality in its chosen area. It will continue to pursue an aggressive, but controlled land acquisition programme to satisfy the likely needs and demands of house buyers, preferring to develop a broad and varied range of residential homes.

As mentioned above, our forward land supply situation has remained good and we have sites which are either being developed out now or owned by us or are in the throes of being acquired, either conditionally or unconditionally with or without planning permission, which should contribute to the Company's anticipated financial performance for 2013 and beyond.

On the financial side, I am very pleased to report that our main Bankers have continued their full support for the Group and its activities and remain prepared to lend on sensible terms for both land acquisition and construction cost. We have three main Bankers now lending to us to support our activities and development programme and the cost of our borrowing remains very competitive. The Johnson family will continue to support the Group in its activities, via their established loan accounts providing the necessary financial support to cover the balance of monies needed to buy land and build out sites and for overheads.

The PLUSquotation of the Company's shares may, in due course, be a further source of capital funding. The Group intends to capitalise upon its funding sources to acquire and develop prime new build land sites on a favourable cost base, where opportunities arise and it is prudent so to do.

By continuing to outsource most of our activities, we are able to keep our overheads very low and thereby increase profitability accordingly. Your executive management team of myself and Alex Johnson have, between us, more than forty years experience in the house building industry, our collective experience enabling us to handle 'in house' almost any eventuality that might arise and cover all aspects of land acquisition, development and sales and marketing.

We continue to be able to negotiate satisfactory building prices with our favoured contractors and, notwithstanding any increase in building prices generally (and despite delays in the planning process being experienced throughout the industry), we are confident of developing out sufficient sites to continue the Group's growth trend.

The outsourcing by the Group of construction work and professional services and the operation of a minimal head office centre, with low fixed overheads, enables the Group to scale up or down the trading activity very quickly to react to changing market conditions and opportunities.

Needless to say, we are working tirelessly to achieve an increase in the profile of our product at the same time as working to increase profitability and the potential for dividends to be payable to shareholders in the future as a result.

Finally, we remain committed to providing quality homes in areas of undoubted demand at realistic prices.

Trafalgar New Homes Plc
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2012

	Note	16 month period ended 31 March 2012 £	Year ended 30 November 2010 £
Revenue		**2,346,404**	326,550

Cost of sales	**1,699,896**	1,104,025
Gross profit / (loss)	**646,508**	(777,475)
Administrative expenses	**251,509**	156,749
Underlying operating profit / (loss)*	**394,999**	(934,224)
Costs of acquisition	**29,500**	-
Deemed cost of listing	**261,575**	-
Operating profit/(loss)	**103,924**	(934,224)
Profit/(loss) before interest	**103,924**	(934,224)
Other interest receivable and similar income	**137,858**	92,941
Finance costs	**33,163**	61,817
Profit/(loss) before taxation	**208,619**	(903,100)
Tax payable on profit on ordinary activities	**155**	-
Profit/(loss) after taxation for the period	**208,464**	(903,100)
Other comprehensive income	**-**	-
Total comprehensive income for the period	**208,464**	(903,100)
Profit/(loss) attributable to:		
Equity holders of the parent	**208,464**	(903,100)
Total comprehensive income for the period attributable to:		
Equity holders of the parent	**208,464**	(903,100)
PROFIT/(LOSS) PER ORDINARY SHARE; Basic/Diluted	**0.1p**	(0.47)p

*Operating profit before non-recurring items, costs of acquisition and deemed cost of listing

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

Trafalgar New Homes Plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2012

	Note	31 March 2012 £	30 November 2010 £

Non-current assets

Tangible fixed assets	**1,533**	529
	1,533	529
Current assets		
Inventory	**6,557,666**	6,934,734
Trade and other receivables	**110,043**	54,113
Cash at bank and in hand	**553,420**	271,665
	7,221,129	7,260,512
Total assets	**7,222,662**	7,261,041
Creditors: amounts falling due within one year		
Trade and other payables	**(169,305)**	(24,090)
Borrowings	**(1,010,816)**	(3,939,612)
Net current assets	**6,041,008**	3,296,810
Non-current liabilities		
Borrowings	**(7,420,555)**	(5,070,765)
Net liabilities	**(1,378,014)**	(1,773,426)

Capital and reserves		
Called up share capital	**2,143,752**	87,575
Share premium account	**961,128**	194,393
Reverse acquisition reserve	**(2,817,633)**	(181,669)
Profit & loss account	**(1,665,261)**	(1,873,725)
Equity – attributable to the owners of the parent	**(1,378,014)**	(1,773,426)

BASIS OF ACCOUNTING

These financial statements are for Trafalgar New Homes Plc ("the Company") and its subsidiary undertakings. The Company is incorporated in England and Wales.

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 and as applied in accordance with the provisions of the Companies Act 2006. These financial statements are for the period from 1 December 2010 to 31 March 2012 and are presented in pounds sterling ("GBP"). The comparative period is for the year to 30 November 2010.

The financial statements have been prepared under the historical cost basis, as modified by valuing financial assets and financial liabilities at fair value through the Statement of Comprehensive Income. 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 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.

Mr Johnson confirms that he will continue to support the Group for its anticipated needs for the next two years. 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.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements the following Standards and Interpretations, some of which have not been endorsed by the EU, which have not been applied in these financial statements but were in issue but not yet effective:

IFRS 9 – Financial Instruments;
IFRS 10 – Consolidated Financial Statements;
IFRS 11 – Joint Arrangements;
IFRS 12 – Disclosure of Interests in Other Entities;
IFRS 13 – Fair Value Measurement;
IAS 1 (amended) – Presentation of Items of Other Comprehensive Income;
IAS 12 (amended) – Deferred Tax: recovery of underlying assets;
IAS 19 (revised) – Employee Benefits;
IAS 27 (revised) – Separate Financial Statements; and
IAS 28 (revised) – Investments in Associates and Joint Ventures.
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The Directors do not anticipate that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Trafalgar New Homes Plc and its subsidiaries.

On 11 November 2011, Trafalgar New Homes plc became the legal holding company of Combe Bank Homes Limited and its subsidiaries via a share for share exchange.

This transaction is deemed outside the scope of IFRS 3 (Revised 2008) and not considered a business combination because the directors have made a judgement that prior to the transaction, Trafalgar New Homes plc was not a business under the definition of IFRS 3 Appendix A and the application guidance in IFRS 3.B7- B12 due to Trafalgar New Homes plc being a shell company that had no processes or capability for outputs (IFRS 3.B7).

On this basis, the directors have developed an accounting policy for this transaction, applying the principles set out in IAS 8.10-12, in that the policy adopted is:

• relevant to the users of the financial information;
• more representative of the financial position, performance and cash flows of the Group;
• reflects the economic substance of the transaction, not merely the legal form; and
• free from bias, prudent and complete in all material aspects.

The accounting policy adopted by the directors applies the principles of IFRS 3 in identifying the accounting acquirer and the presentation of the consolidated financial statements of the legal parent (Trafalgar New Homes plc) as a continuation of the accounting acquirer's financial statements (Combe Bank Homes Limited). This policy reflects the commercial substance of this transaction as follows:

• the original shareholders of the subsidiary undertakings are the most significant shareholders post initial public offering, owning 90 per cent. of the issued share capital; and
• the cash consideration paid as part of the initial public offering returned equity to the original shareholders of the legal subsidiary undertaking and as a consequence diluted their shareholding to 10 per cent.

Accordingly, the following accounting treatment and terminology has been applied in respect of the reverse acquisition:

• the asset and liabilities of the legal subsidiary Combe Bank Homes Limited are recognised and measured in the Group financial statements at the pre-combination carrying amounts, without reinstatement to fair value;
• the retained earnings and other equity balances recognised in the Group financial statements reflect the retained earnings and other equity balances of Combe Bank Homes Limited immediately before the business combination, and the results of the period from 1 December 2010 to the date of the business combination are those of Combe Bank Homes Limited. However, the equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, including the equity instruments issued under the share for share exchange to effect the business combination;

• comparative numbers presented in the Group financial statements are those reported in the financial statements of the legal subsidiary, Combe Bank Homes Limited, for the year ended 30 November 2010;

• the cost of the combination has been determined from the perspective of Combe Bank Homes Limited. The fair value of the shares in Combe Bank Homes Limited has been determined from the admission price of the Trafalgar New Homes plc shares on re-admission to trading on PLUS for 1 pence per share. The value of the consideration shares was £1,868,177. The fair value of the notional number of equity instruments that the legal subsidiary would have had to have issued to the legal parent to give the owners of the legal parent the same percentage ownership in the combined entity is 10 per cent of the market value of the shares after issues, being £207,575. The difference between the notional consideration paid by Trafalgar New Homes plc for Combe Bank Homes Limited and the Trafalgar New Homes plc net liabilities acquired of £54,000 has been charged to the Consolidated Statement of Comprehensive Income as a deemed cost of listing amounting to £261,575 with a corresponding entry to the reverse acquisition reserve.

Trafalgar New Homes plc had no significant assets nor significant other liabilities or contingent liabilities of its own at the time that the share for share exchange took effect.

Transaction costs of equity transactions relating to the issue and re-admission of the Company's shares are accounted for as a deduction from equity where they relate to the issue of new shares and listing costs are charged to the Group Income Statement as an exceptional item within administrative expenses.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying the shareholding of more than half of the voting rights. Where necessary, adjustments have been made to the financial statements of subsidiaries, associates and joint ventures to bring the accounting policies used and accounting periods into line with those of the Group. Intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the Consolidated financial statements.

The results of subsidiaries acquired during the period 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.

Business combinations, other than noted above, are accounted for under the acquisition method. Any excess of the purchase price of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill.

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. The excess of consideration over the fair value of the assets and liabilities acquired is recorded as goodwill. 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.

REVENUE

Revenue is measured at fair value of the consideration received. All income is derived in the United Kingdom. Sales of homes are recognised when the sale has been completed and the proceeds received.

Revenue shown in the statement of comprehensive income represents amounts invoiced during the period.

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 PROFIT/(LOSS)

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

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual priorities of the instrument.

CASH AND CASH EQUIVALENTS

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

INVENTORIES

Inventories 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 bring the inventories to their present location and condition. Interest of sums borrowed that finance specific projects is added to cost. Cost is calculated using the weighted average method. 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 improvement. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments 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 period.

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 necessarily take a substantial period of time to get ready for their intended use of sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of comprehensive income in the period 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 TAXATION

Current tax assets and liabilities for the current and prior periods 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 balance sheet date.

DEFERRED TAXATION

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 period. 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 periods 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 balance sheet 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, and is accounted for using the balance sheet liability method. 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 balance sheet 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 period 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 period 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.

EVENTS AFTER THE BALANCE SHEET DATE

Post period-end events that provide additional information about a company's position at the balance sheet date and are adjusting events are reflected in the financial statements. Post period-end events that are not adjusting events are disclosed in the notes when material.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of financial statements in conformity with IFRS 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.

The directors consider that the share for share exchange between Trafalgar New Homes plc and Combe Bank Homes Limited to be a reverse acquisition, as Combe Bank Homes Limited is considered the acquirer. Further details of the basis of consolidation and how the directors developed the most appropriate accounting policy is outlined in the basis of consolidation within the accounting policies. The difference between the consideration shares transferred in the business combination ("Consideration Shares") and the fair value of the net assets acquired has been charged to the Group Statement of Comprehensive Income as a deemed cost of listing.

The Group assesses the net realisable 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 assessment requires the use of judgment and estimates.

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.

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.

Geographical segments

The following tables present revenue regarding the group's geographical segments for the periods ended 31 March 2012 and 30 November 2010.

Period ended 31 March 2012	**United Kingdom £**	**Total** £
Property development – sales	**2,346,404**	2,346,404
	2,346,404	2,346,404

Year ended 30 November 2010	**United Kingdom £**	**Total** £
Property development – sales	**326,550**	326,550
	326,550	326,550

OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2010
	£	£
Bank interest received	**220**	227
Rental Income	**137,638**	92,714
	137,858	92,941

INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2010
	£	£
Interest on bank loans	**166,054**	129,469
Interest on other loans	**90,500**	57,000
	256,554	**186,469**

PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) for the period is stated after charging the following:

	2012	2010
	£	£
Deemed cost of listing (i)	**261,575**	-
Costs of acquisition	**29,500**	-
Depreciation of tangible fixed assets	**737**	636
Auditor's remuneration:		
Fees payable to the auditor for the audit of the company's annual accounts	**10,000**	3,000
Fees payable to the auditor for the audit of the annual accounts of Subsidiary undertakings	**2,000**	**-**

Amounts payable to Crowe Clark Whitehill LLP and its related entities in respect of audit and non-audit services are disclosed in the table above.

(i) The difference between the notional consideration transferred in the business combination of £207,575 and the fair value of net liabilities acquired of £54,000, £261,575 has been consequently charged to the group Statement of Comprehensive Income.

EMPLOYEES AND DIRECTORS' REMUNERATION

Staff costs during the period were as follows:

	2012 £	2010 £
Directors remuneration	**24,475**	13,000
Wages and salaries	**81,333**	68,298
Social security costs	**9,626**	7,014
Other pension costs	**25,500**	18,000
	140,934	106,312

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

	2012 Number	2010 Number
Directors and management	**4**	4

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

	2012 £	2010 £
Short-term employee benefits:		
- Emoluments for qualifying services C Johnson	**14,475**	6,500
- Emoluments for qualifying services A Johnson	**10,000**	6,500
	24,475	13,000

There are retirement benefits accruing to Mr C Johnson for whom a company contribution was paid during the period of £25,500. (2010: £18,000)

TAXATION

	2012 £	2010 £
Current tax	**155**	-
Tax charge/(credit)	**155**	-

	2012 £	2010 £
Profit/(loss) on ordinary activities before tax	**208,619**	(903,100)
Based on profit for the period:		
Tax at 26.3% (2010: 26.3%)	**54,867**	(237,515)
Effect of:		
Losses not utilised	**(54,712)**	237,515
Tax charge for the period	**155**	-

PROFIT/(LOSS) PER ORDINARY SHARE

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

	2012	2010
	£	£
Profit/(loss) for the period	£208,464	£(903,100)
Weighted average number of shares for basic profit/(loss) per share	200,396,679	8,757,500
Weighted average number of shares for diluted profit/(loss) per share	200,396,679	8,757,500
PROFIT/(LOSS) PER ORDINARY SHARE;		
Basic	0.1p	(0.47)p
Diluted	0.1p	(0.47)p

TANGIBLE FIXED ASSETS

	Fixtures and fittings
	£
	1111-
At 1 December 2010	1,165
Additions	1,771
At 31 March 2012	**2,936**
Depreciation	
At 1 December 2010	
Charge for the period	636
	767
At 31 March 2012	**1,403**
Net book value at 31 March 2012	1,533
Net book value at 30 November 2010	529

TRADE AND OTHER RECEIVABLES

	2012	2010
	£	£
Other receivables	**79,926**	42,389

Other taxes	**27,820**	3,849
Prepayment	**2,297**	7,875
	110,043	54,113

There are no receivables that are past due but not impaired at the period end, and receivables relate only to customers with no recent history of default.

CASH AND CASH EQUIVALENTS

All of the group's cash and cash equivalents at 31 March 2012 and 30 November 2010 are in sterling and held at floating interest rates.

	2012	2010
	£	£
Cash and cash equivalents	**553,420**	271,665

The Directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

INVENTORY

	2012	2010
	£	£
Work in progress	**6,557,666**	6,934,734

TRADE AND OTHER PAYABLES

	2012	2010
	£	£
Trade creditors	**69,057**	10,316
Accruals	**52,812**	8,480
Tax	**5,467**	3,563
Other creditors	**41,969**	1,731
	169,305	24,090

BORROWINGS

	2012	2010
	£	£
Director’s loans	**4,578,912**	4,590,765
Other loans	**480,000**	480,000
Bank loans	**3,372,459**	3,939,612

	8,431,371	9,010,377

Included in other loans, all bearing interest at 10% - 15% per annum, is the sum of £300,000 (2010: £300,000) advanced by the DFM Pension Scheme of which Mr J Dubois is the principal beneficiary.

The bank borrowings are repayable as follows:

	2012 **£**	2010 £
On demand or within one year	**1,010,816**	3,939,612
In the second year	**1,726,643**	-
In the third to fifth years inclusive	**635,000**	-
After five years	**3,372,459**	3,939,612
Less amount due for settlement within 12 months (included in current liabilities)	**(1,010,816)**	(3,939,612)
Amount due for settlement after 12 months	**2,361,643**	-

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

Bank Loans - 5.1% (2010: 5.1%)

The Director's loan is repayable after more than 1 year and is interest free.

The other loans bear interest of between 10-15% and are repayable after more than 1 year.

SHARE CAPITAL

Authorised Share Capital

	2012 **Number**	2010 Number
Ordinary shares of 1p each	**214,375,200**	87,575,000

Issued, allotted and fully paid

	2012 **£**	2010 £
Ordinary shares of 1p each	**2,143,752**	87,575

On 11 November, 2011, the Company acquired the entire share capital of Combe Bank Homes Limited for the sum of £2,323,524 satisfied by the issue of 186,817,671 New Ordinary Shares of 1p per share.

SHARE PREMIUM ACCOUNT

	2012 **£**	2010 £

Balance brought forward	**194,393**	194,393
Premium on issue of new shares	**787,235**	-
Share issue costs	**(20,500)**	-
Balance carried forward	**961,128**	194,393

RELATED PARTY TRANSACTIONS

Mr C. C. Johnson holds 87.15% of the total issued share capital of the Group.

On 9 February 2012, the Directors agreed to sell a small number of completed residential properties, which were let pending sale, to Mr C C Johnson for an aggregate consideration of £1,090,000. The Directors believed that a sale of the properties on the open market in the current economic climate would realise a significant loss against cost. The book value of the properties was £1,129,301 at the date of sale.

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

	2012	**2010**
C C Johnson	£4,578,912	£4,590,765
J Dubois	£300,000	£300,000

Mr Johnson's Loan is interest-free and Mr Dubois' Loan, which is from his Pension Fund of which he is the sole beneficiary, is at 15% pa interest.

CATEGORIES OF FINANCIAL INSTRUMENTS

The group's financial assets are divided as cash and cash equivalents. The group's financial liabilities are divided as directors loans, bank loans and other loans.

	Loans, cash and cash equivalents and receivables held at amortised cost		**Borrowings and trade payables held at amortised cost**	
	2012	2010	**2012**	2010
	£	£	**£**	£
Financial assets				
Cash and cash equivalents	**553,420**	271,665	**-**	-
Financial liabilities				
Borrowings – directors loans	**-**	-	**4,578,912**	4,590,765
Borrowings – bank loan	**-**	-	**3,372,459**	3,939,612
Borrowings – other loans	**-**	-	**480,000**	480,000
Total	**553,420**	271,665	**8,431,371**	9,010,377

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and it sets policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

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 16 to 20 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 banks. The loans from the directors are interest free.

The impact of a 100 basis point increase in interest rates would result in additional interest cost for the period of £33,302 (2010: £38,901).

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 Company 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.

In accordance with IAS 39, "Financial instruments: recognition and measurement", the group has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet specific requirements set out in the standard. No material embedded derivatives have been identified.

OTHER

- The information contained within this announcement has been extracted from the Company's audited annual report and consolidated financial statements for the period ended 31st March 2012.
- The Directors do not recommend the payment of a final dividend for the period.

THE DIRECTORS OF THE COMPANY ACCEPT RESPONSIBILTY FOR THE CONTENTS OF THIS ANNOUNCEMENT

--ENDS--

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