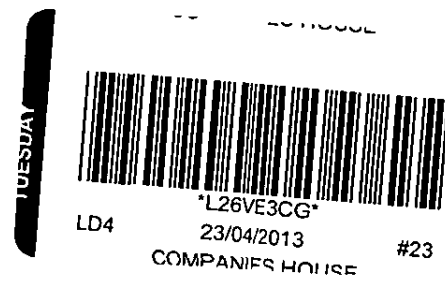


POOLE INVESTMENTS PLC
FINANCIAL STATEMENTS
30 JUNE 2012



POOLE INVESTMENTS PLC
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

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POOLE INVESTMENTS PLC

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr N Malde Mr P Brett Mr S D Wicks
Company secretary	Mr N Malde
Registered office	2 Anglo Office Park 67 White Lion Road Amersham Buckinghamshire UK HP7 9FB
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road IQ Winnersh Wokingham Berkshire RG41 5TS
Bankers	Barclays Bank plc Barclays Corporate Fourth Floor Apex Plaza Forbury Road Reading RG1 1AX
Solicitors	GCL Solicitors LLP Connaught House Alexandra Terrace Guildford Surrey GU1 3DA

POOLE INVESTMENTS PLC

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2012

The directors present their report and the financial statements of the company for the year ended 30 June 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was property investment

The company receives recurring income from its property investment. In agreeing the amount of rental for the Investment Property the directors took into account comparable local commercial rent levels for the type of property. The property has been let on short term rolling tenancies.

During the year ended 30 June 2012 a planning application was submitted for 268 residential units and 107,000 sq ft of commercial space. This was granted in December 2012.

FUTURE DEVELOPMENTS

The board will be considering options for this property now that planning permission has been granted.

RESULTS AND DIVIDENDS

The loss for the year amounted to £53,566. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

All potential areas of financial risk are regularly monitored and reviewed by directors and management. Any preventative or corrective measures are taken as necessary.

The company uses various financial instruments. These include cash and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short-term flexibility is achieved by overdraft facilities.

Credit risk

The company's principal financial asset is trade debtors. The company deals with counterparties after having considered their credit rating.

DIRECTORS

The directors who served the company during the year were as follows:

Mr N Malde

Mr P Brett

Mr S D Wicks

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

POLICY ON THE PAYMENT OF CREDITORS

The company's policy is to pay creditors in accordance with agreement reached with creditors. Trade creditors at 30 June 2012 amounted to 108.3 days (2011: 164.2 days).

POOLE INVESTMENTS PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2012

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DONATIONS

The company paid no charitable or political donations during the period (2011 nil)

AUDITOR

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Signed by order of the directors



MR N MALDE
Company Secretary

Approved by the directors on 16 April 2013

POOLE INVESTMENTS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POOLE INVESTMENTS PLC

YEAR ENDED 30 JUNE 2012

We have audited the financial statements of Poole Investments plc for the year ended 30 June 2012 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholder's Funds, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

POOLE INVESTMENTS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POOLE INVESTMENTS PLC *(continued)*

YEAR ENDED 30 JUNE 2012

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



ROBERT NAPPER (Senior Statutory Auditor)

For and on behalf of

GRANT THORNTON UK LLP

Chartered Accountants & Statutory Auditor

READING

19 April 2013

POOLE INVESTMENTS PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2012

	Note	2012 £	2011 £
TURNOVER	2	9,880	58,992
Administrative expenses		(63,446)	(59,181)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(53,566)	(189)
Tax on loss on ordinary activities	5	–	–
LOSS FOR THE FINANCIAL YEAR		(53,566)	(189)

All of the activities of the company are classed as continuing

There were no recognised gains and losses other than the loss for the year

The notes on pages 9 to 13 form part of these financial statements.

POOLE INVESTMENTS PLC

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

YEAR ENDED 30 JUNE 2012

	2012	2011
	£	£
Loss for the financial year	(53,566)	(189)
Revaluation of investment property	1,393,148	—
Opening shareholder's funds	3,606,299	3,606,488
Closing shareholder's funds	<u>4,945,881</u>	<u>3,606,299</u>

The notes on pages 9 to 13 form part of these financial statements

POOLE INVESTMENTS PLC

BALANCE SHEET

30 JUNE 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	<u>8,000,000</u>	<u>6,606,852</u>
CURRENT ASSETS			
Debtors	8	<u>10,791</u>	<u>8,118</u>
Cash at bank		<u>2,718</u>	<u>-</u>
		<u>13,509</u>	<u>8,118</u>
CREDITORS: Amounts falling due within one year	9	<u>(3,067,628)</u>	<u>(3,008,671)</u>
NET CURRENT LIABILITIES		<u>(3,054,119)</u>	<u>(3,000,553)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,945,881</u>	<u>3,606,299</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	<u>9,247,448</u>	<u>9,247,448</u>
Revaluation reserve	15	<u>3,143,148</u>	<u>1,750,000</u>
Other reserves	15	<u>13,130,000</u>	<u>13,130,000</u>
Profit and loss account	15	<u>(20,574,715)</u>	<u>(20,521,149)</u>
SHAREHOLDER'S FUNDS		<u>4,945,881</u>	<u>3,606,299</u>

These financial statements were approved by the directors and authorised for issue on 16 April 2013, and are signed on their behalf by



MR N MALDE
Director

Company Registration Number 2282021

The notes on pages 9 to 13 form part of these financial statements

POOLE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

The principal accounting policies that have been adopted in the preparation of the financial statements of Poole Investments plc are given below. The directors consider that they remain the most appropriate for the business and unchanged from the prior year.

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The true and fair override provisions of the Companies Act 2006 have been invoked, see 'Investment Properties' below.

Consolidation

These financial statements reflect the results and financial position of the company only. The directors have elected not to prepare consolidated accounts on the basis that the results of the company are included within the accounts of Inland Homes plc.

Cash flow statement

The company has taken advantage of the exemption, available in Financial Reporting Standard 1 'Cash Flow Statements', from preparing a cash flow statement on the basis that more than 90% of the company's voting rights are controlled by the ultimate parent company, the consolidated financial statements of which are available to the public and include a cash flow statement.

Turnover

Turnover for the period represents gross rents receivable from the Investment Property and it is all generated in the UK.

Investment properties

The property at 30 June 2012 and 30 June 2011 is held for long-term investment. The Investment Property is accounted for in accordance with SSAP 19 "Accounting for Investment Properties" and is revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on the Investment Property is expected to be permanent, in which case it is recognised in the Profit and Loss account for the period.

Although the Companies Act 2006 would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date, calculated at the rate at which it is anticipated the timing differences will reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

POOLE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES *(continued)*

Going concern

The company meets its day to day working capital requirements through advances from its parent company, Inland Homes plc. Due to the continuing availability of funding and the on-going support, the directors believe that it is appropriate to prepare the financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future and at least 12 months from the date of signing of these financial statements.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	<u>9,880</u>	<u>58,992</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2012 £	2011 £
Directors' remuneration	—	—
Auditor's remuneration - other fees	<u>4,566</u>	<u>2,650</u>

	2012 £	2011 £
Auditor's remuneration - other fees		
- Taxation services	<u>4,566</u>	<u>2,650</u>

The audit fees are borne by the parent company.

4. PARTICULARS OF EMPLOYEES AND DIRECTORS

Excluding the directors, the company had no employees (2011: nil).

Directors' remuneration was borne by other group companies.

5. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge for the period due to the tax losses in current and prior years.

POOLE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

5. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2011 28%)

	2012 £	2011 £
Loss on ordinary activities before taxation	<u>(53,566)</u>	<u>(189)</u>
Loss on ordinary activities by rate of tax	(13,967)	(53)
Capital allowances for period in excess of depreciation	-	(66)
Utilisation of tax losses	-	119
Group relief	<u>13,967</u>	<u>-</u>
Total current tax (note 5(a))	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges

No deferred tax asset has been recognised on past losses given the uncertainty of timing of future profits. The unrecognised asset may be recoverable in future periods in the event that an appropriate surplus arises against which the tax loss can be offset. The company has not recognised a deferred tax asset in respect of agreed capital losses of approximately £23.2m (2011 £23.2m) in existence at the period end as no chargeable gains are forecast to arise in the immediate future.

6. TANGIBLE FIXED ASSETS

	Freehold Investment Property £
COST OR VALUATION	
At 1 July 2011	6,606,852
Valuation adjustment	1,393,148
NET BOOK VALUE	
At 30 June 2012	<u>8,000,000</u>
At 30 June 2011	<u>6,606,852</u>

All freehold property is stated at revalued cost.

The Investment Property was valued by CBRE Ltd in March 2013 in accordance with the current edition of the RICS Valuation – Professional Standards, published by The Royal Institution of Chartered Surveyors. Investment Property continues to be held by the company for long-term investment. Accordingly, the property is recorded as an Investment Property and is valued on an open market basis. The Investment Property is not depreciated.

The historical cost of the Investment Property at 30 June 2012 was £4,857,000.

7. FIXED ASSET INVESTMENTS

At 30 June 2012, the company holds the entire share capital of Hamworthy Investments Limited which is registered in England and Wales and has been dormant since incorporation. The gross and net book value of this investment is £2.

POOLE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

8. DEBTORS

	2012 £	2011 £
VAT recoverable	223	–
Prepayments and accrued income	10,568	8,118
	<u>10,791</u>	<u>8,118</u>

9. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	75,584	70,886
Amounts owed to group undertakings	2,989,134	2,931,384
VAT	–	6,401
Accruals and deferred income	2,910	–
	<u>3,067,628</u>	<u>3,008,671</u>

10. PENSIONS

The company ceased to participate in its operating subsidiary's pension scheme when it disposed of former subsidiaries in May 2004. The Scheme's principal employer, Pilkington's Tiles Limited went into administration on 14 June 2010 and as a result the company may be liable for a share of the cost of securing the liabilities of the Scheme pertaining to its two former employees should there be a deficit on the Scheme's fund. The directors consider that, as at the balance sheet date, material uncertainty exists over the basis and calculation of any obligation that may fall due to Poole Investments plc. Advice is being sought to clarify the company's position. A provision has therefore not been made in the financial statements as the basis of any provision cannot be reliably established.

11. CONTINGENCIES

The company has the following contingent liabilities:

a) Upon the sale of the Investment Property, a payment of £300,000 is due to one party. Subsequent to the year end, this liability was settled by a payment of £475,000 to one party.

b) The company made arrangements to insure the company's potential liabilities under the warranties and indemnities necessarily given in order to effect the disposal of its former operating subsidiaries on 28 May 2004. The objective of this insurance was to limit future exposure to an aggregate deductible on any claim to £50,000 as compared to the warranty limit agreed on disposal of £1,000,000. From 28 May 2005, the potential insured liability was in any event restricted to certain tax warranties given, no claims having been notified to the company by the expiry date for claims relating to all other Warranties given. The expiry date for claims to be received relating to tax warranties given was 31 March 2011.

c) The company's contingent liability in respect of the Pilkington's Tiles Limited Pension Scheme is described in Note 11.

No provision has been made in these financial statements in respect of these contingent liabilities.

12. CAPITAL COMMITMENTS

The company has no capital commitments at 30 June 2012 (2011: nil).

POOLE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

13. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Inland Homes plc, the company is exempt from the requirements of Financial Reporting Standard 8 "Related party disclosures" to disclose transactions with other wholly owned group companies as publicly available consolidated financial statements are prepared

14. SHARE CAPITAL

Authorised share capital:

	2012 £	2011 £
264,800,000 Ordinary shares of £0.05 each	<u>13,240,000</u>	<u>13,240,000</u>

Allotted, called up and fully paid:

	2012 No	£	2011 No	£
184,948,954 Ordinary shares of £0.05 each	<u>184,948,954</u>	<u>9,247,448</u>	<u>184,948,954</u>	<u>9,247,448</u>

15. RESERVES

	Revaluation reserve £	Special reserve £	Profit and loss account £
Balance brought forward	1,750,000	13,130,000	(20,521,149)
Loss for the year	—	—	(53,566)
Revaluation of investment property	<u>1,393,148</u>	—	—
Balance carried forward	<u>3,143,148</u>	<u>13,130,000</u>	<u>(20,574,715)</u>

Court approval was received on 27 September 2002 for the capitalisation of the share premium account to clear the deficit existing in the profit and loss at that date. The balance was transferred to a Special Reserve.

16. ULTIMATE PARENT COMPANY

The directors regard Inland Homes plc, which is incorporated in the United Kingdom, as the immediate and ultimate parent company and controlling party and is the largest and smallest group undertaking for which group accounts are prepared and made publicly available. A copy of the group accounts can be requested from The Company Secretary, Inland Homes plc, 2 Anglo Office Park, 67 White Lion Road, Amersham, Buckinghamshire, HP7 9FB.