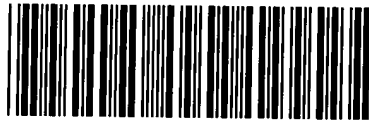


COMPANY REGISTRATION NO. 02282021 (ENGLAND AND WALES)

POOLE INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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POOLE INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Mr N Malde Mr S D Wicks Mr P R Brett
Secretary	Mr N Malde
Company number	02282021
Registered office	Decimal Place Chiltern Avenue Amersham Buckinghamshire HP6 5FG
Auditor	BDO LLP 55 Baker Street London W1U 7EU
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 LIMITED

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POOLE INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the company during the year was property investment and development.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N Malde
Mr S D Wicks
Mr P R Brett

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Financial instruments

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.

POOLE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 5 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Auditor

Under section 487(2) of the Companies Act 2006, BDO LLP, who were appointed during the year, will be deemed to have been appointed 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.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

POOLE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

By order of the board


.....
Mr N Malde
Secretary
31 March 2017

POOLE INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POOLE INVESTMENTS LIMITED

We have audited the financial statements of Poole Investments Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its profit 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 matter prescribed by the Companies Act 2006

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

POOLE INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POOLE INVESTMENTS LIMITED

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.

BDO LLP

Thomas Edward Goodworth
(Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor, London

31 March 2017

BDO LLP is limited liability partnership registered in England and Wales (with registered number OC305127).

POOLE INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	2015 £
Revenue	3	3,849,729	3,792,002
Cost of sales		(2,886,790)	(3,792,002)
Gross profit		<u>962,939</u>	<u>-</u>
Administrative expenses		52,931	(14,288)
Operating profit	4	<u>1,015,870</u>	<u>(14,288)</u>
Interest receivable and similar income	6	27,275	-
Interest payable and similar charges	7	(2,264)	-
Fair value gain on revaluation of property		-	4,912,002
Profit before taxation		<u>1,040,881</u>	<u>4,897,714</u>
Tax on profit	8	322,913	(1,379,482)
Profit for the financial year		<u>1,363,794</u>	<u>3,518,232</u>
Total comprehensive income for the financial year		<u>1,363,794</u>	<u>3,518,232</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations

The notes on pages 10 to 25 form part of these financial statements

POOLE INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	2016 £	2015 £
Non current assets			
Investment property	9	5,350,000	8,000,000
Investments	10	351,353	100,001
		<u>5,701,353</u>	<u>8,100,001</u>
Current assets			
Inventories	14	2,650,000	1,314,954
Deferred tax asset	17	27,647	-
Debtors falling due after one year	15	894,275	-
Other receivables	15	2,598,605	1,855,113
Cash at bank and in hand		32,345	28,006
		<u>6,202,872</u>	<u>3,198,073</u>
Creditors: amounts falling due within one year			
Trade creditors and other payables	16	56,586	354,080
Taxation and social security		208,176	161,918
		<u>264,762</u>	<u>515,998</u>
Net current assets		<u>5,938,110</u>	<u>2,682,075</u>
Total assets less current liabilities		<u>11,639,463</u>	<u>10,782,076</u>
Provisions for liabilities			
Deferred tax liabilities	17	876,040	1,382,447
Net assets		<u>10,763,423</u>	<u>9,399,629</u>

POOLE INVESTMENTS LIMITED

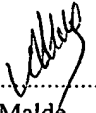
STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2016

Capital and reserves			
Called up share capital	18	9,247,448	9,247,448
Other reserves		13,130,000	13,130,000
Profit and loss account		(11,614,025)	(12,977,819)
Total equity		<u>10,763,423</u>	<u>9,399,629</u>

The financial statements were approved by the Board of directors and authorised for issue on 31 March 2017

Signed on its behalf by:


.....
Mr N Malde
Director

Company Registration No. 02282021

The notes on pages 10 to 25 form part of these financial statements

POOLE INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 July 2014		9,247,448	13,130,000	(16,496,051)	5,881,397
Profit and total comprehensive income for the year		-	-	3,518,232	3,518,232
Balance at 30 June 2015		9,247,448	13,130,000	(12,977,819)	9,399,629
Balance as at 1 July 2015		9,247,448	13,130,000	(12,977,819)	9,399,629
Profit and total comprehensive income for the year		-	-	1,363,794	1,363,794
Balance at 30 June 2016		9,247,448	13,130,000	(11,614,025)	10,763,423

The notes on pages 10 to 25 form part of these financial statements

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Poole Investments Limited is a company limited by shares incorporated in England and Wales. The registered office is Decimal Place, Chiltern Avenue, Amersham, Buckinghamshire, HP6 5FG.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. This is the first year in which the financial statements have been prepared under FRS 101. The date of transition to FRS 101 was 1 July 2014. An explanation of how transition to FRS 101 has affected the reported financial position and financial performance is given in note 21.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group accounts of Inland Homes plc. The group accounts of Inland Homes plc are available to the public and can be obtained as set out in note 20.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.2 Going concern

The company meets its day to day working capital requirements through advances from its ultimate 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.

1.3 Revenue

Turnover comprises the sale of land and property developments. Turnover is recognised on legal completion, which is generally when the title passes. Turnover is recognised net of sales incentives and discounts provided to purchasers and Value Added Tax.

Revenue from the sale of land and property developments is recognised when the significant risks and rewards of ownership has passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Investment properties

Investment property, is carried at fair value determined annually by external valuers or appropriately qualified directors and derived from the current market rents for investment property yields for comparable real estate, adjusted if necessary for any difference in nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Investment properties are those properties which are not occupied by the Company and which are held for long-term rental yields, capital appreciation or both. Investment property also includes property that will be developed for future use as investment property.

Investment properties are initially measured at cost, including related transaction costs. At each subsequent reporting date they are remeasured to their fair value. Movements in fair value are included in the Statement of Comprehensive Income. Subsequent expenditure is capitalised to the asset's carrying value only where it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss resulting from the sale of an investment property is immediately recognised in the Statement of Comprehensive Income.

When the Directors consider that the status of the property has changed to being a development property it is transferred to inventories. A property is transferred to inventories when it has been decided that the units being constructed will be sold and no future rental income is expected. When a partial disposal or transfer is made, the proportion relating to the disposal or transfer is derecognised.

Where the Company employs professional valuers the valuations provided are subject to a comprehensive review to ensure they are based on accurate and up-to-date tenancy and market information. Discussions are also held with the valuers to test the valuation assumptions applied and comparable evidence utilised to ensure they are appropriate in the circumstances.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Finance costs

The company expenses borrowing costs in the period to which they relate through the income statement using effective interest method which calculates the amortised cost of financial asset and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1.7 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 bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method 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 to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

An equity instrument is a contract which evidences a residual interest in the assets after deducting all liabilities. Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares;
- 'Profit and loss reserve' represents retained profits.
- 'Other reserves' represents a special reserve, per note below

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 account at that date. The amount was transferred to a special reserve.

1.13 Taxation

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

Current 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Current tax, including UK corporation 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 the 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. These arise from including gains and losses in different periods from those 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.

Deferred tax is measured at the rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

The fair value of materially completed investment property is determined by independent valuation experts using the open market value of existing use method, subject to current leases and restrictions, as this has been assessed currently as the best use of these assets. Investment properties awaiting construction are valued by the Directors using an appraisal system; critical accounting estimates relate to the forecasts prepared in order to assess the carrying value.

In applying the company's accounting policy for the valuation of inventories the directors are required to assess the expected selling price and costs to sell each of the plots or units that constitute the company's land bank and work in progress. Cost includes the cost of acquisition of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during the development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of land.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be very significant.

3 Revenue

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Cost of inventories recognised as an expense	2,886,790	3,792,002

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For other services		
Tax services	2,276	10,240

The audit fees were borne by the ultimate parent company, Inland Homes plc. The fees for tax services in 2016 were payable to the current auditor (2015: the previous auditor).

6 Investment income

	2016 £	2015 £
Interest income		
Other interest income	27,275	-

7 Finance costs

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	2,264	-

8 Income tax expense

	Continuing operations	
	2016 £	2015 £
Current tax		
Current year taxation	211,141	(2,965)
Deferred tax		
Origination and reversal of temporary differences	(506,407)	1,382,447
On share of associate loss	(27,647)	-
	(534,054)	1,382,447
Total tax charge	(322,913)	1,379,482

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

(Continued)

8 Income tax expense

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation	1,040,881	4,897,714
Expected tax charge based on a corporation tax rate of 20% (2015: 20.75%)	208,176	1,016,276
Tax adjustments	(27,647)	(1,019,241)
Deferred tax (credit)/charge	(534,054)	1,382,447
Share of profit from joint ventures	30,612	-
Tax charge for the year	(322,913)	1,379,482

9 Investment property

Valuation

At 1 July 2015	8,000,000
Transfers to inventories	(2,650,000)
At 30 June 2016	5,350,000
Carrying value	
At 30 June 2016	5,350,000
At 30 June 2015	8,000,000

All freehold property is stated at fair value.

The investment property was valued by the directors based on open market value of existing use. Investment property continues to be held by the company for long-term investment. The investment property is not depreciated.

The historical cost of the investment property at 30 June 2016 was £474,726 (2015 - £709,817).

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

10 Investments

	Non-current	
	2016	2015
	£	£
Investments in subsidiaries	100,003	100,001
Investments in associates	251,350	-
	<u>351,353</u>	<u>100,001</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in non-current investments

	Shares
	£
Cost or valuation	
At 1 July 2015	100,001
Additions	251,352
Share of loss of associate	(138,236)
At 30 June 2016	<u>213,117</u>
Carrying amount	
At 30 June 2016	<u>213,117</u>
At 30 June 2015	<u>100,001</u>

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

11 Subsidiaries

These financial statements are separate company financial statements for the year ended 30 June 2016.

Details of the company's subsidiaries at 30 June 2016 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Hamworthy Investments Limited	England and Wales	100.00%	100.00%	Dormant
Drayton Developments Limited	England and Wales	100.00%	100.00%	Property development
Inland Helix Limited	England and Wales	100.00%	100.00%	Property development
Inland Property Limited	England and Wales	100.00%	100.00%	Property development
Inland Commercial Limited	England and Wales	100.00%	100.00%	Property development
Leighton Developments Limited	England and Wales	100.00%	100.00%	Property development

12 Associates

These financial statements are separate company financial statements for the year ended 30 June 2016.

Details of the company's associates at 30 June 2016 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Troy Homes Limited	England and Wales	25.00%	25.00%	Property development

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

13 Joint ventures

These financial statements are separate company financial statements for the year ended 30 June 2016.

Details of the company's joint ventures at 30 June 2016 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Project Helix Holdco Ltd	England and Wales	20.00%	20.00%	Property development
High Wycombe Developments Limited	England and Wales	20.00%	20.00%	Property development
High Wycombe Developments No.2 Limited	England and Wales	20.00%	20.00%	Property development
Brooklands Helix Developments Limited	England and Wales	20.00%	20.00%	Property development

14 Inventories

	2016 £	2015 £
Work in progress	2,650,000	1,314,954

There is no material difference between the replacement cost of stocks and amounts stated above.

15 Trade and other receivables

	Current		Non-current	
	2016 £	2015 £	2016 £	2015 £
Corporation tax recoverable	1,216	2,965	-	-
Amounts due from fellow group undertakings	2,597,389	1,852,148	-	-
Amounts due from associate undertakings	-	-	894,275	-
	<u>2,598,605</u>	<u>1,855,113</u>	<u>894,275</u>	<u>-</u>

At 30th June 2016 the company provided a loan of £867,000 to Troy Homes Ltd (a new premium housebuilder). Interest has been charged on this loan amounting to £27,275. The total amount due of £894,275 is accounted for as a Loan to a Related Party within debtors due in over one year in the Statement of Financial position.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

16 Trade and other payables

	Current	
	2016	2015
	£	£
Trade payables	43,313	282,921
Accruals	3,273	2,700
Other payables	10,000	68,459
	<u>56,586</u>	<u>354,080</u>

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	£	Total £
Deferred tax liability at 1 July 2015	-	-
Deferred tax movements in current year		
Credit to profit or loss	(27,647)	(27,647)
Deferred tax asset at 30 June 2016	<u>(27,647)</u>	<u>(27,647)</u>

Statutory database figures differ from the trial balance by:

Deferred tax liability at 1 July 2015	-	(1,382,447)
Deferred tax liability at 30 June 2016	-	(876,040)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2016	2015
	£	£
Deferred tax assets	<u>(27,647)</u>	<u>-</u>

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

18 Share capital	2016 £	2015 £
Ordinary share capital		
<i>Authorised</i>		
184,948,954 Ordinary shares of 5p each	9,247,448	9,247,448
	<u> </u>	<u> </u>
<i>Issued and fully paid</i>		
184,948,954 Ordinary shares of 5p each	9,247,448	9,247,448
	<u> </u>	<u> </u>

The ordinary shares carry one vote per share and are entitled to participate equally in dividends and, if the company is wound up, share in the proceeds of the company's assets after the debts have been paid.

19 Related party transactions

In October 2015 Poole Investments Limited acquired 25% of Troy Homes Ltd (Troy), a new premium housebuilder. During the year the company entered in to an agreement with Troy Homes Ltd, further details can be found under note 16.

No guarantees have been given or received.

20 Controlling party

Inland Homes 2013 Limited owns 100% of the ordinary share capital of the company and is therefore the immediate parent company. The directors regard Inland Homes plc, which is incorporated in the United Kingdom, as the 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, Decimal Place, Chiltern Avenue, Amersham, Bucks, HP6 5FG.

21 Reconciliations on adoption of FRS 101

This is the first year of preparation of the accounts under FRS 101. The date of transition was 1 July 2014. The impact on equity at 1 July 2014 and 30 June 2015 and on the profit for the year ended 30 June 2015 has been included below.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

21 Reconciliations on adoption of FRS 101

(Continued)

Reconciliation of equity

	At 1 July 2014			At 30 June 2015		
	Previous UK GAAP £	Effect of transition £	FRS 101 £	Previous UK GAAP £	Effect of transition £	FRS 101 £
Fixed assets						
Investment properties	6,880,000	-	6,880,000	8,000,000	-	8,000,000
Investments	-	-	-	100,001	-	100,001
	<u>6,880,000</u>	<u>-</u>	<u>6,880,000</u>	<u>8,100,001</u>	<u>-</u>	<u>8,100,001</u>
Current assets						
Inventories	-	-	-	1,314,954	-	1,314,954
Debtors	102	-	102	1,855,113	-	1,855,113
Cash at bank and in hand	9,141	-	9,141	28,006	-	28,006
	<u>9,243</u>	<u>-</u>	<u>9,243</u>	<u>3,198,073</u>	<u>-</u>	<u>3,198,073</u>
Creditors amounts falling due within one year						
Trade And Other Payables	1,007,846	-	1,007,846	354,080	-	354,080
Taxation and social security	-	-	-	161,918	-	161,918
	<u>1,007,846</u>	<u>-</u>	<u>1,007,846</u>	<u>515,998</u>	<u>-</u>	<u>515,998</u>
Net current (liabilities)/assets	<u>(998,603)</u>	<u>-</u>	<u>(998,603)</u>	<u>2,682,075</u>	<u>-</u>	<u>2,682,075</u>
Total assets less current liabilities	<u>5,881,397</u>	<u>-</u>	<u>5,881,397</u>	<u>10,782,076</u>	<u>-</u>	<u>10,782,076</u>

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

21 Reconciliations on adoption of FRS 101

(Continued)

Provisions for liabilities

Deferred tax liabilities

	-	1,160,610	1,160,610	-	1,382,447	1,382,447
Net assets	5,881,397	(1,160,610)	4,720,787	10,782,076	(1,382,447)	9,399,629

	At 1 July 2014			At 30 June 2015		
	Previous UK GAAP	Effect of transition	FRS 101	Previous UK GAAP	Effect of transition	FRS 101
	£	£	£	£	£	£
Capital and reserves						
Share capital	9,247,448	-	9,247,448	9,247,448	-	9,247,448
Revaluation reserve	3,143,148	(3,143,148)	-	8,055,150	(8,055,150)	-
Other reserves	13,130,000	-	13,130,000	13,130,000	-	13,130,000
Profit and loss	(19,639,199)	1,982,538	(17,656,661)	(19,650,522)	6,672,703	(12,977,819)
Total equity	5,881,397	(1,160,610)	4,720,787	10,782,076	(1,382,447)	9,399,629

Reconciliation of profit or loss for the year

		At 30 June 2015	
	Notes	Previous UK GAAP	Effect of transition
		£	£
Revenue		3,792,002	-
Cost of sales		(3,792,002)	-
Gross profit		-	-
Administrative expenses		(14,288)	-
Fair valuation gain on revaluation of property		-	4,912,002
Operating profit		(14,288)	4,912,002
Tax on (loss)/profit on ordinary activities		2,965	(221,837)
Profit for the financial year		(11,323)	3,529,555

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

21 Reconciliations on adoption of FRS 101

(Continued)

Notes to reconciliations on adoption of FRS 101

-Investment properties

Under UK GAAP, measurement of investment properties is at open market value with changes in value shown as revaluations through the statements of total recognised gains and losses. Under FRS 101, the accounting policy is to measure at fair value with changes in the statement of comprehensive income. As a result of this the revaluations are now shown through the statement of comprehensive income, rather than through the revaluation reserve in equity. During the 2015 financial year, there was an upwards revaluation of the investment property of £4,912,002 recognised in the revaluation reserve. The conversion to FRS 101 results in this amount being taken to the statement of comprehensive income.

-Deferred Tax

Under previous UK GAAP, there was no requirement to recognise or disclose deferred tax on revaluations of investment property. Under FRS 101, the company is required to recognise deferred tax on the change in fair value of investment property. Consequently a deferred tax liability arises on the revaluation of investment property as at 30 June 2014 of £1,160,610, increasing by £221,837 in the year to 30 June 2015, giving a total deferred tax liability at this date of £1,382,447.

FRS 101 presentation adjustments

-Revaluation reserve

Under UK GAAP, the investment property was held under SSAP 19 and the policy was to carry the investment property at open market value. Any changes in value were taken to the revaluation reserve in equity. As at 1 July 2014, this reserve totalled £3,143,148. Under FRS 101, all gains and losses on the revaluation of the investment property are recognised through the statement of comprehensive income in the period in which they are incurred. The adoption of FRS 101 results in the historical balance in the revaluation reserve being transferred to retained earnings.