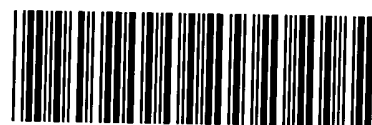


COMPANY REGISTRATION NO. 02282021 (ENGLAND AND WALES)

POOLE INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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POOLE INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Mr N Malde Mr S D Wicks Mr G Skinner (Appointed 16 April 2018)
Company number	02282021
Registered office	Decimal Place Chiltern Avenue Amersham Buckinghamshire HP6 5FG
Auditor	BDO LLP 55 Baker Street Marylebone 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 2017

The directors present their annual report and financial statements for the year ended 30 June 2017.

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 7.

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

Mr G Skinner

(Resigned 16 April 2018)

(Appointed 16 April 2018)

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 assets are trade debtors and other receivables. The company deals with counterparties after having considered their credit rating.

POOLE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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 previous 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 2017

Restatement of inter-company balances

The directors are of the opinion that, given there is no formal right to set off, inter-company balances should be shown gross rather than net. Accordingly, the prior year financial statements have been restated. There is no impact on net assets.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Section 415A of the Companies Act 2006.

On behalf of the board


.....

Mr N Malde

Director

27 JUNE 2018

POOLE INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POOLE INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Poole Investments Limited (the 'company') for the year ended 30 June 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

POOLE INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POOLE INVESTMENTS LIMITED

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

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

POOLE INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF POOLE INVESTMENTS LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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.

Boeup.

Thomas Edward Goodworth (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

27 JUNE 2018

BDO LLP is a 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 2017**

		2017	2016
	Notes	£	as restated £
Revenue	3	2,650,020	3,849,729
Cost of sales		(2,651,514)	(2,886,790)
Gross (loss)/profit		(1,494)	962,939
Administrative expenses		(1,006)	52,931
Operating (loss)/profit	4	(2,500)	1,015,870
Interest receivable and similar income	6	170,205	27,275
Interest payable and similar charges	7	-	(2,264)
Profit before taxation		167,705	1,040,881
Tax on profit	8	(77,106)	1,198,953
Profit for the financial year	19	90,599	2,239,834
Total comprehensive income for the financial year		90,599	2,239,834

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

The notes on pages 11 to 24 form part of these financial statements

POOLE INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		2017	2016
	Notes	£	as restated £
Non current assets			
Investment property	9	5,350,000	5,350,000
Investments	10	1,601,353	351,353
Debtors falling due after one year	15	3,073,148	894,275
		<u>10,024,501</u>	<u>6,595,628</u>
Current assets			
Inventories	14	-	2,650,000
Deferred tax asset	17	27,647	27,647
Other receivables	15	3,137,106	11,768,372
Cash at bank and in hand		1,181	32,345
		<u>3,165,934</u>	<u>14,478,364</u>
Creditors: amounts falling due within one year			
Trade creditors and other payables	16	1,175,091	9,226,353
Taxation and social security		285,282	208,176
		<u>1,460,373</u>	<u>9,434,529</u>
Net current assets		<u>1,705,561</u>	<u>5,043,835</u>
Total assets less current liabilities		<u>11,730,062</u>	<u>11,639,463</u>
Net assets		<u>11,730,062</u>	<u>11,639,463</u>
Capital and reserves			
Called up share capital	18	9,247,448	9,247,448
Other reserves		(529,961)	13,130,000
Profit and loss account	19	3,012,575	(10,737,985)
Total equity		<u>11,730,062</u>	<u>11,639,463</u>

POOLE INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2017

The financial statements were approved by the Board of directors and authorised for issue on **27 JUNE 2018.**

Signed on its behalf by:


.....

Mr N Malde

Director

Company Registration No. 02282021

The notes on pages 11 to 24 form part of these financial statements

POOLE INVESTMENTS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 July 2015		9,247,448	13,130,000	(12,977,819)	9,399,629
Restated profit and total comprehensive income for the year		-	-	2,239,834	2,239,834
Restated balance at 30 June 2016		9,247,448	13,130,000	(10,737,985)	11,639,463
Balance as at 1 July 2016		9,247,448	13,130,000	(10,737,985)	11,639,463
Profit and total comprehensive expense for the year		-	-	90,599	90,599
Transfer		-	(13,659,961)	13,659,961	-
Balance at 30 June 2017		9,247,448	(529,961)	3,012,575	11,730,062

The notes on pages 11 to 24 form part of these financial statements

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

Poole Investments Limited is a private 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 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, except for investment property which is measured at fair value. 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.

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.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2017**

1 Accounting policies

(Continued)

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.

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.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

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 2017

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 2017

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 2017

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 (loss)/profit

	2017	2016
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Cost of inventories recognised as an expense	2,651,514	2,886,790
	<u> </u>	<u> </u>

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

5 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
For other services		
Tax services	(1,664)	2,276
	<u> </u>	<u> </u>

The audit fees were borne by the ultimate parent company, Inland Homes plc. The fees for tax services in 2017 and 2016 were payable to the current auditor.

6 Investment income

	2017	2016
	£	£
Interest income		
Other interest income	170,205	27,275
	<u> </u>	<u> </u>

7 Finance costs

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	-	2,264
	<u> </u>	<u> </u>

8 Income tax expense

	Continuing operations	
	2017	2016
		as restated
	£	£
Current tax		
Current year taxation	77,106	211,141
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of temporary differences	-	(1,382,447)
On share of associate loss	-	(27,647)
	<u> </u>	<u> </u>
	-	(1,410,094)
	<u> </u>	<u> </u>
Total tax charge/(credit)	<u>77,106</u>	<u>(1,198,953)</u>

The change in applicable tax rate compared with the previous year is a result of a change in the rate of UK corporation tax.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

(Continued)

8 Income tax expense

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

	2017	2016
	£	as restated
		£
Profit before taxation	167,705	1,040,881
Expected tax charge based on a corporation tax rate of 19.75% (2016: 20.00%)	33,122	208,176
Tax adjustments	43,984	(27,647)
Deferred tax credit	-	(1,410,094)
Share of profit from joint ventures	-	30,612
Tax charge/(credit) for the year	77,106	(1,198,953)

9 Investment property

	£
Valuation	
At 1 July 2016	5,350,000
At 30 June 2017	5,350,000
Carrying value	
At 30 June 2017	5,350,000
At 30 June 2016	5,350,000

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 2017 was £474,726 (2016: £474,726).

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Investments

	Non-current	
	2017	2016
	£	£
Investments in subsidiaries	100,003	100,003
Investments in associates	1,501,350	251,350
	<u>1,601,353</u>	<u>351,353</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 2016	351,353
Additions	1,250,000
	<u>1,601,353</u>
At 30 June 2017	
	<u>1,601,353</u>
Carrying amount	
At 30 June 2017	1,601,353
	<u>1,601,353</u>
At 30 June 2016	351,353
	<u>351,353</u>

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

11 Subsidiaries

These financial statements are separate company financial statements for the year ended 30 June 2017.

Details of the company's subsidiaries at 30 June 2017 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	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 investment and development
Inland Commercial Limited	England and Wales	100.00%	100.00%	Property investment
Leighton Developments Limited	England and Wales	100.00%	100.00%	Property development

The registered office for the above subsidiaries is Decimal Place, Chiltern Avenue, Amersham, Bucks, HP6 5FG.

12 Associates

These financial statements are separate company financial statements for the year ended 30 June 2017.

Details of the company's associates at 30 June 2017 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Troy Homes Limited	England and Wales	25.00%	25.00%	Property development

The registered office for the above associate is 10 - 14 Accommodation Road, London, NW11 8ED.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

13 Joint ventures

These financial statements are separate company financial statements for the year ended 30 June 2017.

Details of the company's joint ventures at 30 June 2017 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Project Helix Holdco Ltd	England and Wales	20.00%	20.00%	Holding company
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

The registered office for the above joint ventures is Decimal Place, Chiltern Avenue, Amersham, Bucks, HP6 5FG.

14 Inventories

	2017 £	2016 £
Work in progress	-	2,650,000

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

15 Trade and other receivables

	Current		Non-current	
	2017	2016 as restated	2017	2016
	£	£	£	£
Corporation tax recoverable	-	1,216	-	-
VAT recoverable	100	-	-	-
Amounts due from fellow group undertakings	3,137,006	11,767,156	-	-
Amounts due from associate undertakings	-	-	3,073,148	894,275
	<u>3,137,106</u>	<u>11,768,372</u>	<u>3,073,148</u>	<u>894,275</u>

Receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Trade and other receivables all fall due within one year.

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

16 Trade and other payables

	Current 2017	2016 as restated
	£	£
Trade payables	38,264	43,313
Amounts due to fellow group undertakings	-	9,169,767
Accruals	1,827	3,273
Other payables	1,135,000	10,000
	<u>1,175,091</u>	<u>9,226,353</u>

Amounts owed to company undertakings are unsecured, have no fixed date for repayment and includes perpetual annuity bonds with 0.25% interest (RPI linked) per annum. The related company undertakings have confirmed that they will not seek repayment of the amount due, unless the company is able to, for at least one year from the date of approval of these financial statements.

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.

	£
Deferred tax liability at 1 July 2015	1,382,447
Deferred tax movements in prior year	
Credit to profit or loss	(1,410,094)
Deferred tax asset at 1 July 2016 and 30 June 2017	<u>(27,647)</u>

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

18 Share capital	2017 £	2016 £
Ordinary share capital		
<i>Authorised</i>		
184,948,954 Ordinary shares of 5p each	9,247,448	9,247,448
<i>Issued and fully paid</i>		
184,948,954 Ordinary shares of 5p each	9,247,448	9,247,448

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 Prior year adjustment	2017 £
At 1 July 2016 as previously reported	(11,614,025)
Prior year adjustment	876,040
At 1 July 2016	(10,737,985)
Profit for the year	90,599
Transfer from other reserve	13,659,961
At 30 June 2017	3,012,575

During the year, the directors reviewed the group's capital losses available for set off against the revaluation gains on investment property. A prior year adjustment of £876,040 has been made to recognise the adjustments necessary as a result of this review.

The directors are of the opinion that, given there is no formal right of set off, inter-company balances should be shown gross rather than net. Accordingly, the prior year financial statements have been restated by grossing up debtors and creditors by £9,169,767. There is no impact on net assets.

The financial impact of these adjustments is shown below:

POOLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

19 Prior year adjustment

(Continued)

	As previously stated	Adjustments for deferred tax	Adjustments for group balances	Restated
	2016	2016	2016	2016
	£	£	£	£
Statement of comprehensive income				
Income tax credit	322,913	876,040	-	1,198,953
Profit for the financial year	1,363,794	876,040	-	2,239,834
Statement of financial position				
Trade and other receivables	3,492,880	-	9,169,767	12,662,647
Total assets	11,904,225	-	9,169,767	21,073,992
Trade and other payables	56,586	-	9,169,767	9,226,353
Total current liabilities	264,762	-	9,169,767	9,434,529
Deferred tax liabilities	876,040	(876,040)	-	-
Net assets	10,763,423	876,040	-	11,639,463
Profit and loss account	(11,614,025)	876,040	-	(10,737,985)
Total equity	10,763,423	876,040	-	11,639,463

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.