

**COMPANY REGISTRATION NUMBER 08303612**

**INLAND ZDP PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**The Company**

Inland ZDP plc ('the Company') was incorporated on 22 November 2012 and has a capital structure comprising unlisted ordinary shares and zero dividend preference shares ('ZDP shares') listed on the Official List and traded on the London Stock Exchange. The Company's ordinary share capital is wholly owned by Inland Homes 2013 Limited which is a wholly owned subsidiary of Inland Homes plc ('Inland' or 'Group'), which has a principal activity of acquiring residential and mixed-use sites and seeking planning consent for development. Inland develops a number of the plots for private sale and sells consented plots to housebuilders.

Following the publication of a prospectus on 14 December 2012 and issue of 8,500,000 ZDP shares at 100p per share there has been a series of further placings of new ZDP Shares in successive years resulting in there being 18,101,857 ZDP shares in issue as at 30 September 2021. No new ZDP shares were issued during the year ended 30 September 2021 (2020 1,671,067 new ZDP shares).

Pursuant to a loan agreement between the Company and Inland, the Company has lent Inland the gross proceeds of its placings to pursue future opportunities and all issue costs were borne by Inland. This loan is on terms requiring its repayment by Inland to the Company on the ZDP shares repayment date when the Company must be wound up. The ZDP repayment date was initially 10 April 2019, but this was extended by 5 years to 10 April 2024 by the passing of resolutions at general and class meetings on 13 August 2018.

**Objective and investment policy**

The objective of the Company is to make loans to Inland on terms which provide the final capital entitlement due to the holders of the ZDP shares at the repayment date of 10 April 2024.

**Principal risks and uncertainty and risk management**

The board believes that the principal risk faced by the Company is the credit risk associated with the loan made to Inland.

The specific risks faced by Inland, which may impact the credit risk the Company has with the loan made to Inland, are included within its financial statements. These principally comprise: major incidents or events (such as the COVID pandemic); adverse economic conditions affecting the housing market; adverse government policy and planning regulations; climate-related risk; the inability to source and develop suitable land at the appropriate cost and quality; access to site labour and materials; failure to effectively manage major projects to industry standard margins; health and safety risks; the inability to retain or source high calibre and experienced staff; solvency and difficulty in procuring borrowing facilities at competitive rates and maintain sufficient cash headroom; and cyber and business continuity risks.

The Directors of the Company are also directors of Inland and are therefore in a position to assess the recoverability of amounts due from Inland.

The Company is also exposed to risks in relation to its financial instruments. Further details of these risks and the way in which they are managed are contained in note 9 of the financial statements.

**INLAND ZDP PLC**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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<b>Risk and description</b>	<b>Consequences of risk</b>	<b>Existing mitigations and internal controls</b>
<b>Counterparty loan risk</b> A decline in the creditworthiness of Inland Homes PLC could lead to an inability to repay the loan made by the Company.	<ul style="list-style-type: none"><li>• Severe impact on cash flow</li></ul>	<ul style="list-style-type: none"><li>• Regular review at Board level of detailed cash flow forecasts which are subject to sensitivity analysis</li><li>• Strong relationships as part of the Inland Homes PLC Group through regular engagement, which includes monitoring the risks faced by the Inland Homes PLC Group</li></ul>

**Key performance indicators**

The key performance indicators used by the Board to measure the Company's success are the asset cover (which is described in detail in the chairman's statement), the asset value per ZDP share, the accrued capital entitlement and the price of the ZDP shares.

	<b>30 September 2021</b>	<b>30 September 2020</b>
Asset cover	<b>2.5</b>	<b>2.2</b>
Asset value per ZDP share	<b>176.86p</b>	<b>167.30p</b>
Accrued capital entitlement per ZDP Share	<b>175.96p</b>	<b>166.81p</b>
ZDP share price	<b>168.50p</b>	<b>156.00p</b>

The asset value and the accrued capital entitlement will continue to increase as the repayment date approaches. The book value of ZDP Shares in the financial statements is derived from the various issue prices using the effective interest method, whereas the accrued capital entitlement is based on the initial issue price (100p) and its accrual over time to the redemption price and is not affected by the prices of subsequent issues. As at the repayment date, the book value and accrued capital entitlement will be equal to one another.

The ZDP share price dropped in line with the fall in markets in March 2020 caused by . The ZDP Share price increased by 8.0%, rising above pre-COVID levels, during the year to 30 September 2021. At that date it was trading at a 4.2% discount to the accrued capital entitlement. The ZDP share price is expected to trade at a premium to the accrued capital entitlement when the accruing return is higher than is generally available from investments with a similar risk profile elsewhere. It is unlikely that the ZDP share price will exceed the ultimate repayment price of 201.4p which is due on 10 April 2024.

**S172 reporting**

The Board recognises that the long-term success of Inland ZDP PLC is dependent on that of Inland. Accordingly, the s172 report made by Inland is included within its financial statements.

Additionally, the Board of Inland ZDP plc make decisions on fundraising based on the needs of shareholders and the future demand for loans from Inland. The Directors listen to stakeholders and consider their interests and requirements before any fundraising is undertaken. Based on this, there was no fundraising undertaken in the year.

**Approval**

The Strategic Report was approved on behalf of the Board on 28 January 2022.

By order of the Board  
Nishith Malde  
**Director**

28 January 2022

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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I am pleased to present the Company's annual report and financial statements for the year ended 30 September 2021.

The Company is a wholly owned subsidiary of Inland Homes 2013 Limited which is a wholly owned subsidiary of Inland Homes plc ("Inland") and was established solely for the purpose of issuing ZDP shares and lending the proceeds to Inland.

As at 30 September 2021 the ZDP share price was 168.5p (30 September 2020: 156.0p), representing a discount of 4.2% (30 September 2020: discount of 6.5%) to the accrued capital entitlement per ZDP share of 175.96p (30 September 2020: 166.81p).

The original loan and contribution agreements between the Company and Inland contain certain protections for the Company which are intended to benefit its ZDP shareholders. These include first charges over pledged assets and pledged cash in a charged bank account. The pledged assets (such as property and interests in property development joint ventures) must have a book value of at least 120% of the accrued value of the ZDP shares net of the pledged cash. As at 30 September 2021, the accrued amount due to ZDP shareholders was £31,852,736 (30 September 2020: £30,195,543), the pledged cash was £7,327,479 (30 September 2020: £7,702,396) and the pledged assets had a book value of £36,962,175 (30 September 2020: £32,861,848), thereby satisfying this requirement.

The loan agreement also contains a covenant relating to asset cover, which is shown below as at 30 September 2021. The definitions of Assets and Financial Indebtedness are set out in the prospectus published in connection with the issue of the ZDP shares which is available at [www.inlandhomesplc.com/inland-zdp-plc](http://www.inlandhomesplc.com/inland-zdp-plc). The definition of Financial Indebtedness excludes indebtedness which falls due more than 6 months after the final ZDP Repayment Date of 10 April 2024.

Asset cover:

Assets / Financial Indebtedness plus ZDP Final Redemption Liability = 2.5 times cover (30 September 2020: 2.2 times cover).

The asset cover should be at least 1.8 times, so this covenant, which is tested quarterly, was satisfied at 30 September 2021.

The board believes that the use of book values is generally conservative, because a substantial proportion of the group's assets are properties for which planning consents are sought. The planning process takes time and any progress towards reaching the stage when building can commence is not reflected in an increase in the book values beyond the costs attributable to the relevant sites, whereas any diminution in value is reflected by way of impairment provisions, such that planning gains are not generally recognised in Inland's financial statements until sales are contracted. If the covenant ratios were to be calculated by reference to the market values of the assets, the cover would be higher and the gearing lower.

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The COVID-19 pandemic continued to affect the Inland Homes plc group in a variety of ways as described in its annual report for the year ended 30 September 2021. The financing arrangements for the group are designed to spread loan and ZDP share maturities over time so that the risk of having to refinance an excessive amount when financial and credit markets are stressed is reduced. The funding comes from several sources, but with compatible terms and security arrangements, reducing the group's reliance on any single lender. Some of the group's financial commitments are at fixed rates and others (mainly revolving credit) are at floating rates of interest. This achieves a balance between deferring the impact of changes in interest rates and providing flexibility to draw down and repay some debt without early repayment penalties. The ZDP Shares represent an important element of the Group's financing structure and benefit from the group's debt policies which mitigate and spread certain financing risks. ZDP Shareholders' ongoing support for the group is much appreciated by the Board.



Nishith Malde  
**Chairman**  
28 January 2022

## **INLAND ZDP PLC**

### **BOARD OF DIRECTORS**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The current directors of Inland ZDP PLC are:

**Nishith Malde**  
**Chairman**

Mr Malde qualified as a Chartered Accountant in 1985 with KPMG and specialised in advising owner managed businesses. He has over 25 years experience in the property sector with wide professional knowledge and understanding of both listed and unlisted companies. Mr Malde was Finance Director of Country & Metropolitan plc which floated on the main market of the London Stock Exchange in 1999, until its disposal in April 2005 to Gladedale Holdings plc. Mr Malde is on the board of Drumz plc and is the Group Finance Director of Inland.

**Stephen Wicks**  
**Director**

Mr Wicks was the founding shareholder and Chief Executive of Country & Metropolitan plc, which floated on the main market of the London Stock Exchange in December 1999 with a market capitalisation of £6.9m. He directed the growth of Country & Metropolitan plc until its disposal in April 2005 to Gladedale Holdings plc for approximately £72m. Mr Wicks has worked in the construction and housebuilding sector all of his working life and has extensive knowledge of local and national policies on both greenfield and brownfield sites. He is also the Chief Executive of Inland.

**Gary Skinner**  
**Director**

Mr Skinner, has over 30 years' experience in the housebuilding sector, having formerly been Operations Director at Willmott Dixon Housing, a privately-owned contracting and interior fit-out group, where he was responsible for the sourcing, planning and the commercial delivery of up to 1,000 units per annum. Mr Skinner is also Managing Director of Inland.

All the current directors are also directors of the Company's ultimate parent company, Inland Homes PLC.

The operations of the Company are undertaken by staff employed by Inland for which no charge is made.



**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The directors submit the annual report and financial statements of the Company for the year ended 30 September 2021.

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. There was no profit available for dividends for the year.

**Principal activity and status**

The Company is a wholly owned subsidiary of Inland Homes 2013 Limited which is a wholly owned subsidiary of Inland Homes plc ('Inland'), incorporated in England & Wales, which has a principal activity of acquiring residential and mixed-use sites and seeking planning consent for development. Inland develops a number of the plots for private sale and sells consented plots to housebuilders. Inland Homes 2013 Limited owns the entire issued ordinary share capital of the Company. The principal activity of the Company is to raise capital for its ultimate parent for the purpose of their principal activity.

**Share capital**

***Ordinary shares***

The issued ordinary share capital of the Company at 30 September 2021 amounted to 50,000 ordinary shares of £1 each (30 September 2020: 50,000).

On a winding up of the Company, after satisfying all liabilities, including obligations to the holders of ZDP shares, ordinary shareholders are entitled to receive the surplus assets of the Company available for distribution. Ordinary shareholders have the right to receive notice of and attend and vote at any general meetings of the Company.

***Zero dividend preference shares***

At 30 September 2021 there were a total of 18,101,857 ZDP shares of 10p each in issue (30 September 2020: 18,101,857 ZDP shares).

In accordance with the Company's Articles of Association, the ZDP shares carry no entitlement to any dividends or other distributions or to participate in the revenue or any other profits of the Company. The ZDP shareholders have no right to receive notice of, or to attend or vote at, any general meeting of the Company except in those circumstances set out in the Company's Articles of Association, which would be likely to affect their rights or general interests. The final capital entitlement for the ZDP shares is not guaranteed should Inland's net assets be insufficient on the repayment date. The security provided to the Company, from which ZDP shareholders benefit, and the covenants that Inland must adhere to are detailed in the chairman's statement.

**Board of directors**

The board of directors is responsible for the overall stewardship of the Company including investment and dividend policies, corporate strategy, corporate governance and risk management. Biographical details of all the directors, all of whom are non-executive, can be found on page 6.

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Board of directors (continued)**

None of the directors has had any interest in the ordinary shares or the ZDP shares of the Company at any time during the year. The directors' interests in the shares of Inland, the Company's ultimate parent Company, are shown in Inland's annual report and financial statements for the year ended 30 September 2021.

The board has carefully considered the independence of each director and in view of the cross-directorships detailed above, has concluded none of the directors are wholly independent. The directors believe that the board has an appropriate balance of skills, experience and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company.

Given the nature of the Company's business and the number of directors, the directors have not established separate committees of the board but deal with all business themselves.

None of the directors receive a salary and accordingly it is appropriate that no remuneration report is included within the financial statements.

The board confirms that the performance of each of the directors continues to be effective, which is illustrated by the effective relationship with the Inland Homes PLC Group, whereby risks are monitored and compliance with the covenants is ensured at each quarter end. The board therefore believes that it is in the interest of shareholders that these directors remain in office.

**Directors' indemnities**

As at the date of this report, indemnities have been granted in accordance with the Company's Articles of Association indemnifying each director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his or her role as a director of Inland and the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

**Conflicts of interest**

Under the Companies Act 2006 a director must avoid a situation where he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to approve such situations.

The Company maintains a register of directors' conflicts of interest which have been disclosed and approved by the other directors. This register is kept up to date and the directors are required to disclose to the board of directors any changes to conflicts or any potential new conflicts.

**Corporate governance statement**

As a Company whose preference shares have been admitted to a standard listing on the Official List, Inland ZDP Plc is not obliged to comply with the UK Corporate Governance Code and does not do so.

Inland ZDP Plc is a special purpose Company formed solely to issue the ZDP Shares and lend the proceeds to Inland. Its costs are all borne by Inland pursuant to the Contribution Agreement such that it has no transactions or cash flows of its own; except for and until cash is paid to it when (or shortly prior to) cash falls due to be paid to ZDP Shareholders. The Company has no business and no employees or executive directors and all the voting rights attaching to its shares are held by Inland Homes 2013 Limited, save in certain circumstances relating to the rights attributable to the ZDP Shares where ZDP Shareholders' prior approval will be required. Its only assets are its rights pursuant to the Loan Note and Contribution Agreement. Accordingly, the only risk to which it is subject is the risk that Inland fails to comply with its obligations under the Loan Note and Contribution Agreement.

In the opinion of the Company Directors, the interests of the Company and ZDP Shareholders are adequately covered by the governance procedures and diversity policies applicable to its ultimate holding company (Inland) save for certain specific responsibilities of the Company's Board who receive no remuneration from the Company. For example, Inland's audit committee considers the financial reporting procedures for the Group as a whole and the Company Directors see no benefit in convening a separate audit committee for Inland ZDP Plc. The remit of the audit committee of Inland covers all its subsidiaries including Inland ZDP Plc and the risk management procedures applied by Inland cover the risk of Inland being unable to comply with its obligations under the Loan Note and Contribution Agreement.

The Board considers the adequacy of the Pledged Assets and compliance with the other terms of the Loan Note, the Contribution Agreement and security documentation, the interim and annual reports and accounts and any other matters which may arise, for example to consider any proposals for the substitution of Pledged Assets. As the Company has no employees all decisions are taken by the Board.

None of the Directors are independent by virtue of their roles as Inland Directors and employees. The explanation for the Company not having any independent directors is that its Board considers that, in the context of the Company having no business, strategy or cash flows, the only matters requiring Board decisions can be properly addressed by non-independent directors, who have due regard to the interests of ZDP Shareholders.

In preparing the Company's annual report and financial statements, the Directors consider that judgement is required in assessing the recoverability of the intercompany receivable and where required as to going concern. As Inland is responsible for all of the Company's liabilities including its obligations to ZDP Shareholders, pursuant to the Loan Note and Contribution Agreement, the Directors base their assessment on the fact that Inland's own assessment that it is a going concern has been properly conducted and reviewed by Inland's audit committee.

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Community, employee and environmental issues**

In carrying out its activities and in its relationships with the community, the Company aims to conduct itself responsibly, ethically and fairly. The Company has no employees, and the board is comprised entirely of non-executive directors. Inland ZDP plc is exempt from the requirement to disclose its carbon emissions due to it being below the 40,000 kWh threshold.

**Going concern**

The directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis as outlined on pages 26-27.

**Financial instruments**

The Company's financial instruments comprise debtors and creditors that arise directly from its operations. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 9 to the financial statements.

**Significant agreements**

Pursuant to the intra-group loan agreement between the Company and Inland Homes plc documenting the loan from the Company to Inland Homes plc of the proceeds of the ZDP share placing, the loan is on terms requiring its repayment by Inland Homes plc to the Company immediately prior to the ZDP repayment date, being 10 April 2024. These funds are to be managed in accordance with the investment policy of Inland Homes plc.

**Post Balance Sheet Events**

There are no post balance sheet events.

**Disclosure of information to auditors**

The directors confirm that, so far as each of them are aware, there is no relevant audit information of which the Company's auditors are unaware and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



By order of the Board

Nishith Malde

**Director**

28 January 2022

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Statement of directors' responsibilities in relation to the financial statements**

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 are required to prepare financial statements in accordance with the Companies Act 2006 and International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 for 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 they have been prepared in accordance with the Companies Act 2006 and International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a director's report and a strategic report which comply with the requirements of the Companies Act 2006.

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.

**Website publication**

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**Directors' responsibilities pursuant to DTR4**

The directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the strategic report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.



On behalf of the Board

Nishith Malde

**Director**

28 January 2022

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF INLAND ZDP PLC**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Opinion on the 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 September 2021 and of its result for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Inland ZDP plc (the 'Company') for the year ended 30 September 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, 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 international accounting standards in conformity 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Board of Directors.

*Independence*

We were appointed by the Directors on 10 January 2020 to audit the financial statements for the year ending 30 September 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 3 years, covering the years ending 30 September 2019 to 30 September 2021. We remain 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We have determined going concern to be a key audit matter. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting and our response to the key audit matter is set out below in the Key Audit Matters section of our report.

# INLAND ZDP PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF INLAND ZDP PLC

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Overview

	2021	2020
<b>Key audit matters</b>	Going concern and recoverability of intercompany receivables Y	Y
<b>Materiality</b>	£320,000 (2020: £300,000) based on 1% (2020: 1%) of total assets	

#### An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. All work was performed by BDO LLP.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



INLAND ZDP PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INLAND ZDP PLC

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b><i>Going Concern and recoverability of intercompany receivables (note 1.1 and 9)</i></b></p> <p>The ability of the company to repay the zero dividend preference shares on or before the redemption date is dependent on recoverability of the intercompany receivable due from the company's ultimate parent company Inland Homes plc.</p> <p>In our audit of the financial statements of Inland Homes Plc for the year ended 30 September 2021 we considered going concern to be a key matter and as a result we considered this to be a key audit matter relating to our audit of Inland ZDP plc, affecting both recoverability of the intercompany receivable and the company's ability to continue as going concern.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>- We assessed the appropriateness of the Company's cash flow forecasts in the context of the 30 September 2021 financial position.</li> <li>- We obtained and reviewed the Loan Note and Contribution Agreement to confirm that the Inland Homes Plc group has agreed to fund the running costs of the Company and contribute to the Company such an amount that will result in the Company having sufficient cash funds to satisfy the then current or, as the case may be, final capital entitlement of the ZDP Shares.</li> <li>- We performed procedures over the Group's going concern. This included reviewing the Directors' assessment of the value of the pledged tangible assets held by the Group as security and the sufficiency of its value for full recoverability of the intercompany receivable.</li> <li>- We checked that the information used in the covenant compliance calculations related to the intercompany receivable was consistent with the Group forecasts to 31 January 2023.</li> <li>- We reviewed the disclosures provided relating to the going concern basis of preparation and considered whether these were consistent with the Directors going concern assessment and our procedures performed.</li> </ul> <p>Key Observations</p> <p>We did not identify any indicators to suggest that the intercompany receivable is not recoverable at the amount recorded in the financial statements.</p>

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INLAND ZDP PLC

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Our observations in relation to going concern are set out in the conclusions relating to going concern section of our report.
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**Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2021	2020
<b>Materiality</b>	£320,000	£300,000
<b>Basis for determining materiality</b>	1% of total assets	
<b>Rationale for the benchmark applied</b>	We determined total assets to be the most appropriate basis for determining materiality as we consider this to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Company.	
<b>Performance materiality</b>	£240,000	£225,000
<b>Basis for determining performance materiality</b>	75% of materiality – in determining performance materiality we have considered the follow factors; <ul style="list-style-type: none"> <li>- Our risk assessment, including our assessment of the Company's overall control environment; and</li> </ul>	

## INLAND ZDP PLC

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF INLAND ZDP PLC

#### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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	- Our past experience of the audit, including expected total value of known or likely misstatements.
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#### *Reporting threshold*

We agreed with the Board of Directors that we would report to them all individual audit differences in excess of £6,400 (2020: £6,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

#### **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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **Other Companies Act 2006 reporting**

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<b>Strategic report and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"><li>the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li><li>the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li></ul> <p>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 strategic report or the Directors' report.</p>
<b>Matters on which we are required to</b>	<p>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:</p>

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF INLAND ZDP PLC**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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<b>report by exception</b>	<ul style="list-style-type: none"><li>• adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or</li><li>• the financial statements are not in agreement with the accounting records and returns; or</li><li>• certain disclosures of Directors' remuneration specified by law are not made; or</li><li>• we have not received all the information and explanations we require for our audit.</li></ul>
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**Responsibilities of Directors**

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, 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.

**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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the Listing Rules, DTR rules and the applicable accounting framework.

## **INLAND ZDP PLC**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF INLAND ZDP PLC**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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Our procedures included:

- Agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements;
- Enquiries of management and the Board of Directors as to their identification of any non-compliance with laws or regulations, or any actual or potential claims;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations and performing our own checks of compliance with relevant requirements.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be with respect to the recoverability of the intercompany receivable which have been included as key audit matters and our audit response is set out in that section of our audit report as well as management override of controls.

We responded to the risk of management override of controls, by testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. We selected a sample of journal entries which met our risk criteria and agreed the entry to supporting documentation and to determine if the entry was appropriate

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.


# INLAND ZDP PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF INLAND ZDP PLC FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 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.

DocuSigned by:  
  
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Christopher Young (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
28 January 2022

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		Year ended 30 September 2021 £000	Year ended 30 September 2020 £000
<b>Continuing operations</b>	<b>Note</b>		
<b>Revenue</b>			
Interest income	2	1,635	1,537
<b>Total income</b>		1,635	1,537
<b>Expenditure</b>			
Expenses	3	-	-
<b>Total expenditure</b>		-	-
<b>Profit before finance costs and taxation</b>		1,635	1,537
Finance costs	4	(1,635)	(1,537)
<b>Profit before tax</b>			-
Income tax	5	-	-
<b>Profit for the year and total comprehensive income</b>		-	-
<b>Earnings per share for profit attributable to the equity holders of the company during the year</b>	6	0.0p	0.0p

The accompanying accounting policies and notes on pages 25-34 form an integral part of these financial statements.

**INLAND ZDP PLC****STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2021**

		30 September 2021	30 September 2020 as restated
	Note	£000	£000
<b>Non-current assets</b>			
Intercompany receivable	9,11	32,065	30,285
		<b>32,065</b>	30,285
<b>Non-current liabilities</b>			
Zero Dividend Preference Shares	7	(32,015)	(30,235)
		<b>(32,015)</b>	(30,235)
<b>Net assets</b>		<b>50</b>	50
<b>Equity</b>			
Ordinary share capital	8	50	50
<b>Shareholders' funds</b>		<b>50</b>	50

The financial statements were approved and authorised for issue by the Board of Directors on 28 January 2022 and signed on their behalf by:



Nishith Malde  
**Chairman**

The accompanying accounting policies and notes on pages 25-34 form an integral part of these financial statements.



**INLAND ZDP PLC****STATEMENT OF CHANGES IN EQUITY****AS AT 30 SEPTEMBER 2021**

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	<b>Share capital £000</b>	<b>Total £000</b>
At 30 September 2019	50	50
Result and total comprehensive income for the year	-	-
At 30 September 2020	50	50
Result and total comprehensive income for the year	-	-
<b>At 30 September 2021</b>	<b>50</b>	<b>50</b>

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The accompanying accounting policies and notes on pages 25–34 form an integral part of these financial statements.

**INLAND ZDP PLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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	Year ended 30 September 2021 £000	Year ended 30 September 2020 £000
<b>Cash flow from operating activities</b>		
Profit for the year / period before tax	-	-
Adjustments for:		
– interest expense	1,635	1,537
– interest and similar income	(1,635)	(1,537)
<b>Net cash flow from operating activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	-	-
<b>Net cash and cash equivalents at beginning of the year / period</b>	-	-
<b>Net cash and cash equivalents at the end of the year / period</b>	-	-

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The £2.7m proceeds from the share issue during the year ended 30 September 2020 were paid directly to Inland Homes plc by the brokers to the issue and are included in the intercompany receivable on the Statement of Financial Position.

The accompanying accounting policies and notes on pages 25-34 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**1 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**1.1 Basis of preparation**

The financial statements have been prepared in accordance with the Companies Act 2006 and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

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 £'000.

These accounting policies comply with each accounting standard that is mandatory for accounting year ended 30 September 2021.

At the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

The Company's business activities principal risks and uncertainty, and risk management are set out in the strategic report on pages 1 to 3. The Company is reliant on the ability of Inland Homes Plc to continue as a going concern as detailed in the strategic report. Further disclosures regarding the Company's financial instruments and exposure to credit and liquidity risk are set out in note 9 of the Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**1.1 Basis of preparation (continued)**

Given the dependency on Inland Homes Plc, details regarding their going concern assumptions are given below.

***Standards in issue but not yet effective***

- IFRS 9, IAS 38 and IFRS 7 'Interest Rate Benchmark Reform' (Amendments to IFRS 9, IAS 38 and IFRS 7);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Amendments to IFRS 3 'Business Combinations'\*;
- Amendments to IAS 16 'Property, Plant and Equipment'\*;
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'\*;
- Reference to the Conceptual Framework (Amendments to IFRS 3)\*;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)\*;
- Definition of Accounting Estimates (Amendments to IAS 8)\*;
- Annual Improvements (2018-2020 Cycle) IFRS 1, IFRS 9, IAS 41 and Illustrative Examples accompanying IFRS 16\*; and
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Return Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

\*Standards and amendments not yet endorsed by the EU.

None of the standards above are expected to have an impact on the Company's financial statements.

***Going concern***

The Directors are required to assess the Company's ability to continue as a going concern for a period of at least the next twelve months. The going concern assessment considers the Company's principal risks and the ability to repay the ZDP shares on 10 April 2024.

For the duration of the going concern period the Company has no obligations or financial liabilities to settle. However, the directors note that the company is required to repay the ZDP shares on 10 April 2024 and it does not have the available resources to settle the balance at the reporting date. The company is reliant on Inland Homes plc being in a position to repay the inter-company receivable on or before the 10 April 2024 such that the Company is able to settle the obligation of the ZDP shares. The final capital entitlement for the ZDP shares is not guaranteed should the proceeds received from Inland Homes Plc be insufficient. The directors have based their assessment on the fact that Inland's own assessment that it is a going concern has been properly conducted and reviewed by Inland's audit committee. The going concern assessment for Inland is included within its Annual Report.

The intercompany receivable impose a number of covenants that must be complied with and are discussed within the Chairman's Statement. As at 30 September 2021 Inland Homes plc is compliant with all covenants and there are no forecasted covenant breaches in the going concern period.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The ZDP shares are currently due for repayment on 10 April 2024. In advance of this date the Directors will consider whether to repay the ZDP shares or propose a resolution to approve the continuation of the life of the ZDP Shares for an additional five years as occurred previously on 13 August 2018 when the ZDP Shares were extended for five years from 24 April 2019 to 24 April 2024.

At the time of approving these financial statements and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

**1.2 Income**

Income is recognised in revenue using the effective interest method on an accruals basis.

**1.3 Expenses**

All expenses are borne by the Company's parent Company, Inland Homes 2013 Limited.

**1.4 Zero dividend preference shares**

Zero dividend preference shares are recognised as liabilities in the Statement of Financial Position in accordance with IFRS 9: Financial Instruments. After initial recognition, these liabilities are measured at amortised cost, which represents the initial proceeds of the issuance plus the accrued interest based on the effective interest method to 30 September 2021.

**1.5 Intercompany receivable**

Intercompany receivables are recognised as assets in the Statement of Financial Position in accordance with IFRS 9: Financial Instruments. After initial recognition they are measured at amortised cost which represents the initial loan plus the accrued interest receivable at the reporting date. Directors have assessed intercompany receivables to meet the requirements under the business model test and SPPI test. The objective of the business model is to hold financial assets to collect their contractual cash flows. The cash flows are solely payments of principal and interest on the principal amounts outstanding.

The Company applies the general approach to providing for expected credit losses prescribed by IFRS 9 for intercompany receivables. The expected credit loss provision in the current year and prior period have been assessed as £nil.

Pursuant to a loan agreement between the Company and Inland Homes plc, the Company has lent Inland Homes plc the gross proceeds of its placings. This loan is on terms requiring its repayment by Inland Homes plc to the Company on the ZDP shares repayment date when the company must be wound up.

**1.6 Finance costs**

Finance costs are calculated as the difference between the proceeds on the issue of zero dividend preference shares and the final liability and are charged as finance costs over the term of the life of these shares using the effective interest method.

**1.7 Finance income**

Finance income is calculated on the amount lent to Inland Homes 2013 Limited and represents the difference between the amounts advanced (which was equal to the proceeds on the issue of zero dividend preference shares) and the final amounts due

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

(which is equal to the liability payable on redemption of the zero dividend preference shares). It is recognised as revenue as interest income over the term of the zero dividend preference shares using the effective interest method.

**1.8 Taxation**

The charge for taxation is based on the taxable profits for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are never taxable or deductible. The Company's liability for tax is calculated using rates that have been enacted or substantively enacted by the reporting date.

**1.9 Equity**

An equity instrument is a contract which evidences a residual interest in the assets after deducting all liabilities. Equity comprises 'Share capital', which represents the nominal value of equity shares.

**1.10 Key estimates and assumptions**

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

Judgement is required in assessing the recoverability of the intercompany receivable. Recoverability is underpinned by the profitability of Inland's development and strategic land sites.

**1.11 Segment information**

In accordance with IFRS 8, information is disclosed to enable the users of financial statements to evaluate the nature and financial effects of the business activities in which the Company engages. The board has identified that the sole operating segment is to provide the final capital entitlement of the Company's ZDP shares to the holders of the ZDP shares at the final repayment date of 10 April 2024. Consequently, all information presented in these financial statements relate to that segment.

**1.12 Restatement of prior year figures**

The prior year figures have been restated due to the reclassification of financial assets. Further details can be found in note 12.

**2 Interest income**

	Year ended 30 September 2021 £000	Year ended 30 September 2020 £000
Interest income from group undertakings	1,635	1,537

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**3 Expenses**

Administration expenses of £nil were suffered during the year (year ended 30 September 2020: £nil). All administration expenses during the year, including auditor's remuneration of £25,000 (2020 £25,000), were borne by the ultimate parent Company, Inland Homes plc. The directors received no remuneration for their services in relation to Inland ZDP PLC. Further disclosures with regards to the auditors' remuneration can be found in the group financial statements.

There were no employees other than directors in the current year or the prior year.

**4 Finance costs**

	Year ended 30 September 2021 £000	Year ended 30 September 2020 £000
ZDP share finance costs	1,635	1,537

**5 Taxation**

	Year ended 30 September 2021 £000	Year ended 30 September 2020 £000
Profit before tax	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	-	-
ZDP share interest costs disallowed	310	292
Group relief	(310)	(292)
Tax charge	-	-

**6 Earnings per ordinary share**

The calculation of earnings per share is based on a profit after tax figure for the year of £nil (year ended 30 September 2020: £nil) and the weighted average number of 50,000 ordinary shares in issue during the year. The basic and diluted earnings per share are the same.

**7 Zero dividend preference shares**

	At 30 September 2021 No.	At 30 September 2021 £000	At 30 September 2020 No.	At 30 September 2020 £000
<b>ZDP shares</b>				
Opening ZDP shares	18,101,857	30,235	16,430,790	26,144
Issue costs adjustment	-	145	-	-
Issued during the year	-	-	1,671,067	2,554

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

ZDP share interest cost	-	<b>1,635</b>	-	1,537
	<b>18,101,857</b>	<b>32,015</b>	18,101,857	30,235

Details of the issue of the ZDP shares can be found in the strategic report on pages 1 to 3. Certain ZDP Share issue costs included in the book value brought forward have been charged to the intercompany account between the Company and Inland Homes plc because they are borne by Inland Homes plc under the Contribution Agreement.

**8 Ordinary share capital**

Authorised/called up/allotted/fully paid

	<b>At 30 September 2021 No.</b>	<b>At 30 September 2021 £000</b>	<b>At 30 September 2020 No.</b>	<b>At 30 September 2020 £000</b>
Opening ordinary shares	<b>50,000</b>	<b>50</b>	50,000	50
Issued during the year / period	-	-	-	-
<b>50,000 issued ordinary shares of £1 each</b>	<b>50,000</b>	<b>50</b>	50,000	50

All ordinary shares are owned by the Company's parent Company, Inland Homes 2013 Limited.

Each ordinary share is entitled to one vote at a general meeting.

In addition to receiving any income distributed by way of dividend, the ordinary shareholders will be entitled to all surplus assets after payment of all debts, including the ZDP shares.

**9 Financial instruments**

The Company's financial instruments comprise fixed interest creditors classified as financial liabilities at amortised cost and financial assets classified as amortised cost.

The main risks arising from the Company's financial instruments are liquidity risk and funding risk and credit risk.

***Liquidity and funding risk***

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is considered to be significant as the Company is reliant upon repayment from its ultimate parent Company. The parent Company manages liquidity risk by maintaining sufficient cash balances and ensuring availability of funding through an adequate amount of credit facilities. The parent Company aims to maintain flexibility in funding by keeping credit lines available.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Financial instruments (continued)

*Contractual maturity analysis for financial liabilities*

	At 30 September 2021 £000	At 30 September 2020 £000
	ZDP shares final redemption figure	ZDP shares final redemption figure
Less than one year	-	-
More than one year and less than five years	36,457	36,457
Over five years	-	-
	<b>36,457</b>	<b>36,457</b>

**Credit risk**

This is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company. Credit risk is managed by way of a security over the loan. The security relates to pledged tangible assets (such as property and interests in property development joint ventures) and pledged cash in a charged bank account.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

**Amortised Cost**

	At 30 September 2021 £000	At 30 September 2020 £000
Amounts due from ultimate parent company	<b>32,065</b>	30,285

The directors consider the carrying amounts to be a reasonable approximation of fair value.

The Company applies the general approach to providing for expected credit losses prescribed by IFRS 9 for amounts due from ultimate parent Company. There were no expected credit loss provisions in the current year and prior period. The security that is pledged is more than sufficient to cover the amounts due. The Directors have assessed

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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a possible downturn in the value of the pledged assets by 10% and following that assessment no credit loss, as defined by IFRS 9, would arise.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**9 Financial instruments (continued)**

The following table presents the fair value of financial liabilities that are carried at amortised cost in the Statement of Financial Position in accordance with the fair value hierarchy. This hierarchy groups financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the liability that are not based on observable market data (unobservable inputs).

The level within which the financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

If the financial liabilities were measured at fair value in the Group Statement of Financial Position, they would be grouped into the fair value hierarchy as follows:

	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>	<b>Total £000</b>
Net fair value at 1 October 2020	28,239	-	-	28,239
Fair value movements during the year	2,263	-	-	2,263
<b>Net fair value at 30 September 2021</b>	<b>30,502</b>	<b>-</b>	<b>-</b>	<b>30,502</b>

	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>	<b>Total £000</b>
Net fair value at 1 October 2019	26,536	-	-	26,536
Additions	2,699	-	-	2,699
Fair value movements during the year	(996)	-	-	(996)
Net fair value at 30 September 2020	28,239	-	-	28,239

The ZDP shares are carried at their accrued value of 176.86p per share (30 September 2020: 166.81p) however their closing price on the main market of the London Stock Exchange on 30 September 2021 was 168.5p (30 September 2020: 156.0p).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**10 Capital management policies and procedures**

The Company's objectives when managing capital are:

- to safeguard its ability to continue as a going concern; and
- to ensure sufficient liquid resources are available to meet the funding requirement of its ZDP shareholders.

The directors consider that the capital management policies and procedures of the ultimate parent company will enable the Company to meet its objectives. Further details of the policies and procedures of Inland Homes plc can be found within its financial statements and include a target capital to overall financing ratio of over 40%.

The capital of the Company comprises 1,860,186 (ordinary shares and ZDP preference shares) and the nominal value of these amounted to £50,000 and £1,810,186 respectively.

**11 Related party transactions**

The loan to Inland Homes PLC is repayable along with all accrued interest, together with a contribution for such amount that will result in the Company having sufficient cash funds to satisfy the then current, or as the case may be, final capital entitlement of the ZDP shares on the ZDP repayment date (see the strategic report on pages 1 to 3 or immediately upon an event of default. At 30 September 2021, the total amount due from the ultimate parent Company was £32,065,000 (30 September 2020: £30,285,000).

**12 Restatement of prior year figures**

The Company has an intercompany receivable with Inland Homes PLC. The total value of the receivable at 30 September 2020 was £30,285,000 and this was presented in the Statement of financial position within current assets. The receivable should not have been classified as current because on 30 September 2020 management did not expect to realise the asset within twelve months of the reporting date.

The prior year comparatives have been restated to decrease current assets in the Statement of financial position by £30,285,000 and increase non-current assets in the Statement of financial position by £30,285,000.

The adjustment has no overall effect on the total net assets of the Company at 30 September 2020 or on the profit for the year ended 30 September 2020.

**13 Ultimate controlling party**

The directors regard Inland Homes PLC as the ultimate parent and controlling party.

**14 Holding company**

The Company is a wholly owned subsidiary of Inland Homes 2013 Limited which is a wholly owned subsidiary of Inland Homes plc, a listed Company whose shares are traded on the AIM market of the London Stock Exchange. Copies of its accounts for the year ended 30 September 2021 will shortly be available to view on Inland's website ([www.inlandhomesplc.com](http://www.inlandhomesplc.com))

# INLAND ZDP PLC

## CORPORATE INFORMATION

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**Company registration number** 08303612

**Registered office and website** Burnham Yard  
London End  
Beaconsfield  
Buckinghamshire  
HP9 2JH  
Telephone: 01494 762 450  
Website: [www.inlandhomesplc.com/inland-zdp-plc](http://www.inlandhomesplc.com/inland-zdp-plc)

**Guarantor** Inland Homes plc  
Burnham Yard  
London End  
Beaconsfield  
Buckinghamshire  
HP9 2JH  
Telephone: 01494 762 450

**Registrars** Link Group  
10th Floor,  
Central Square,  
29 Wellington Street,  
Leeds  
LS1 4DL

Telephone: 0371 664 0300

(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales).

**Auditors** BDO LLP  
Statutory Auditor  
55 Baker Street  
Marylebone  
London  
W1U 7EU