COMPANY REGISTRATION NUMBER 08303612

INLAND ZDP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

CONTENTS

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Company and the Group

The Company is a specialist funding vehicle only and has no business, operations or employees of its own. It has issued 18,101,857 zero dividend shares ("ZDP shares") at various prices between 20 December 2012 and 19 November 2019, raising £22.28m cash which has been lent to its holding company, Inland Homes plc ("Inland").

ZDP shares are Listed and traded on the Main Market of the London Stock Exchange and are due to be redeemed for 201.4p cash per ZDP share (£36.45m in total) on 10 April 2024, when the Company will be liquidated unless proposals to extend its life have been approved by holders of all its classes of shares.

The Inland Homes group (the "Group") has an extensive network of relationships which enable it to identify potentially attractive, primarily brownfield, residential and mixed-use property development opportunities and has an outstanding 100% track record in successfully achieving planning consents on its brownfield sites.

Initially the Group sold most of its consented plots to major housebuilders, but in recent years, its business model has changed to include construction activity, selling completed homes or selling plots to BTR (Build to Rent) operators and housing associations with construction contracts.

The Group has relationships with investors with whom it can develop sites through separately funded joint ventures or source or generate fees for managing developments funded by the investors. During recent years, a higher proportion of its projects have been pursued on an asset management basis resulting in significant reductions in the Group's borrowing requirements as owned sites and completed homes are sold.

The Company's participation in the Group's funding arrangements

The Group has a range of borrowing arrangements, including the loan from the Company, with the following aims:

- spreading maturity dates over time, reducing the impact of refinancings falling due when fluctuating credit market conditions are difficult;
- avoiding excessive dependence on any single lender;
- achieving a balance between fixed and floating interest rates;
- ensuring that the security arrangements and covenants applicable to individual loans are mutually compatible.

Inland Homes plc has entered into contractual commitments to the Company and is obliged to meet all the Company's costs and expenses, grant and maintain first charge security to the Company over tangible assets with a book value of 120% of the accrued value of the ZDP shares, less Pledged Cash; and abide by asset cover covenants which are tested quarterly. Under the Contribution Agreement, Inland is obliged to ensure that the Company has sufficient cash to pay the Final Capital Entitlement (201.4p per ZDP share) on the redemption date.

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: adverse economic conditions affecting the housing market and the propensity of people to buy homes; adverse changes to government policy and planning regulations; failure to effectively manage major projects to industry standard margins; 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; access to site labour and materials; inability to source and develop suitable land at the appropriate cost and quantity; health and safety risks; cyber and business continuity risks; climate-related risk and the risk of a major incident impacting the UK (e.g. pandemic).

The Directors of the Company are also directors of other companies in the Inland Group 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.

The Company is reliant on Inland's ability to finance the redemption of the ZDP shares on 10 April 2024. Although the Group announced significant expected losses for the year to 30 September 2022, it continues (with some short term fluctuations) to realise cash and reduce debt as a result of adopting a less cash intensive business model whereby developments are promoted and managed by the Group on behalf of others who fund them (asset management projects) or developed in joint ventures with their own financing arrangements.

On 25 January 2023, Inland Homes PLC announced that it is seeking waivers of covenant breaches from two lenders owed a combined £49.3m; stating that: *Whilst the board believes that these waivers will be forthcoming, they consider that if required, these borrowings can be refinanced.* Positive discussions are progressing with the lenders to procure the waivers. This material uncertainty is reflected in the basis of preparation of the financial statements and the audit report. See the Chairman's statement for further comment about this risk.

Risk and description	**Consequences of risk**	**Existing mitigations and internal controls**
Counterparty loan risk A decline in the creditworthiness of Inland could lead to an inability to repay the loan made by the Company.	• Severe impact on cash flow • Fees and penalty interest rates may become payable to lenders in respect of any breach and, if breaches are not waived, a need to refinance the relevant borrowings may arise	• Regular review at Board level of detailed cash flow forecasts which are subject to sensitivity analysis • Inland seeks to maintain good relationships with its lenders and seeks to obtain waivers of any anticipated or actual covenant breaches at the earliest opportunity.
Asset value risk The realisable value of the Group's assets, including assets pledged to the Company, could be difficult to realise rapidly in a forced sale situation and achieve prices which are significantly below the prices achievable in the ordinary course of business.	• Potential delays in recovering value for the Company if Inland becomes insolvent and potential shortfall in the amounts recovered • In the case of Pledged Assets	• If any other party institutes insolvency proceedings against any Inland Group company holding a Pledged Asset or gives notice of an intention to do so, the Company has the right to enforce its security over certain Pledged Assets and take steps to realise them in an orderly manner over time to maximise

	which comprise amounts due from property joint ventures, there could be delays while the relevant joint venture company realises cash from its property development activity or is able to refinance its borrowings to repay the Company, with a risk of a potential shortfall in the amounts recovered.	recovery. The recoverability of amounts due from joint venture companies may be subject to satisfying claims of that company's other lenders.

Key performance indicators

The key performance indicators used by the Board to measure the Company's success are the asset cover (which is calculated on a Group basis, described in more detail in the chairman's statement, but broadly comprises tangible gross assets at book value less trade creditors and deferred consideration liabilities for land purchases up to 60 per cent. of the total consideration; divided by Financial Indebtedness, which includes the ZDP Final Redemption Liability, borrowings repayable prior to 10 October 2024 and deferred consideration in excess of 60% of the total consideration payable for land), the asset value per ZDP share, the accrued capital entitlement and the price of the ZDP shares.

The Group's annual results for the year to 30 September 2022 are expected to be announced at the end of February 2023 following completion of the audit. As the Asset Cover of the ZDP Shares is derived from the Group's consolidated financial statements, the figures below are subject to adjustment. If any such adjustment is material the updated cover ratio will be announced.

	30 September 2022	**30 September 2021**
Asset cover	**2.44**	**2.54**
Asset value per ZDP share	**186.19p**	**176.86p**
Accrued capital entitlement per ZDP share	**185.62p**	**175.96p**
ZDP share price	**174.00p**	**168.50p**

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 at 7.3% per annum from the initial issue date (12 December 2012) to 148.8p on 13 August 2013, when an extension of the redemption date was approved, subsequently accruing at 5.5% to 10 April 2024. The redemption price 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 increased by 4% to 181p during the first half of the financial year and remained at that level for the following five months. During September 2022 the ZDP share price dropped to a low point of 171.5p in the context of an announcement by Inland of poorer performance than the market had been expecting for the year to 30 September 2022 and a possible breach of a banking covenant. Having recovered a little in the interim, the ZDP Share price dropped to a closing price of 121p when Inland announced losses and breaches of loan covenants on 25 January 2023.

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 31 January 2023.

By order of the Board
Nishith Malde
Director
31 January 2023

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

I am pleased to present the Company's annual report and financial statements for the year ended 30 September 2022.

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.

The financial statements have been produced on a going concern basis, on the assumption that the breaches by the Group of loan covenants can be remedied by agreeing the terms of waivers with the relevant lenders or refinancing their debt. If neither is achieved, the going concern basis would no longer be appropriate and many of the Group's asset values could be seriously impaired, including the value of the Pledged Assets, the most significant of which is a loan to a property joint venture the value of which could be significantly reduced if Inland became insolvent.

Accordingly the ZDP Share price is likely to be influenced by Inland's announcements relating to the above, whether upwards on remedying the covenant breaches or downwards if that is not achieved.

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 (currently primarily interests in a property development joint venture) 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 2022, the accrued amount due to ZDP shareholders was £33,601,021 (30 September 2021: £31,852,736), the pledged cash was £4,245,826 (30 September 2021: £7,327,479) and the pledged assets had a book value of £38,994,874 (30 September 2021: £36,962,175), thereby satisfying this requirement.

The loan agreement also contains a covenant relating to asset cover, which is shown below as at 30 September 2022. The definitions of Assets and Financial Indebtedness, which apply to the Group as a whole, are set out in the prospectus published in connection with the issue of the ZDP shares amended as shown in the Continuation Circular dated 19 July 2018 which is available at https://www.inlandhomesplc.com/media/2014/inland-zdp-plc-continuation-circular.pdf. 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:
As explained in the Strategic Report above, the Asset cover ratio as at 30 September 2022 is subject to adjustment:
Assets / Financial Indebtedness plus ZDP Final Redemption Liability = 2.4 times cover (30 September 2021: 2.5 times cover).

The asset cover should be at least 1.8 times, so this covenant, which is tested quarterly, was satisfied at 30 September 2022. It has been satisfied on all testing dates since the initial issue of ZDP Shares.

The return to maturity of a ZDP Share based on the mid market closing price as at 30 January 2023 (132p) was 42.5 per cent.

The Board believes that the use of book values for security and asset cover covenants is generally conservative on a going concern basis, because a 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. However, forced sale values could be significantly lower.

The Hurdle Rate by which the consolidated values of the Group's Assets would need to decrease before 10 April 2024, if Inland's Assets are to remain sufficient to cover the Final Capital Entitlement and its net debt (calculated from book values as at 30 September 2022, but excluding intangible assets) is -46.3%.

The Group has adopted a less capital intensive business model over recent years. New developments are primarily funded by asset management clients (who buy the sites and pay fees to the Group for managing their planning and development) or by independently financed joint ventures. This business model has resulted in significant repayment of debt as the Group's owned development sites and completed homes were sold. This process is ongoing and, notwithstanding the losses incurred by the Group in the year to 30 September 2022, the Group's plan is to continue to generate cash as the redemption date of the ZDP shares in April 2024 draws nearer. The payment of the Final Capital Entitlement to ZDP Shareholders is expected to be funded through a combination of surplus operating cash and refinancing. If the former is available prior to 10 April 2024, it could be used to buy ZDP Shares in the market.

Stephen Wicks and Gary Skinner resigned from the Company's Board when they left the Group and Desmond Wicks has been appointed as a director. Stephen Wicks was a joint founder of Inland and had been chief executive of the Group since its inception. He remains a consultant to the Group until 30 September 2023. Gary Skinner was managing director of the Group. I thank them for their service to the Company and welcome Desmond Wicks to the Board.

Nishith Malde
Chairman
31 January 2023

BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 26 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.

Desmond Wicks
Director
Desmond Wicks, aged 33, is a director of Inland Limited, serving as Group Land Director, and of other group companies. He is the son of Stephen Wicks, a joint founder of the Group. Desmond Wicks joined the Group in 2007, working in the land division, acquiring expertise in winning planning consents and has managed that division since April 2018.

The Company has no business or operations. Any administrative work is undertaken by staff employed by Inland for which no charge is made.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors submit the annual report and audited financial statements of the Company for the year ended 30 September 2022.

The financial statements have been prepared in accordance with UK adopted 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 specialist funding vehicle only and has no business, operations or employees of its own. The principal activity and objective of the Company is to make loans to Inland which is committed to provide the final capital entitlement due to the holders of the ZDP shares at the repayment date of 10 April 2024. 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. Inland Homes 2013 Limited owns the entire issued ordinary share capital of the Company.

Share capital

Ordinary shares

The issued ordinary share capital of the Company at 30 September 2022 amounted to 50,000 ordinary shares of £1 each (30 September 2021: 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 2022 there were a total of 18,101,857 ZDP shares of 10p each in issue (30 September 2021: 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 of the Company ("Board") is responsible for the overall stewardship of the Company including investment and dividend policies, corporate strategy, corporate governance and risk management. Biographical details of the directors, who are non-executive, can be found on page 7. The directors are also directors of other companies in the Group.

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. Nishith Malde's interests in the share capital of Inland as at 30 September 2022 are set out in the Inland Homes plc annual report which is to be published shortly. Desmond Wicks' interests as at 30 September 2022 were:

Ordinary Shares 473,218

Share Options:

Number:	*Exercise Price*	*Expiry Date*
75,000	32.5p	18 June 2023
25,000	70.25p	26 June 2025
75,000	67.0p	17 July 2028

The Board has carefully considered the independence of each director and in view of the cross-directorships detailed above, has concluded neither 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 activity as an issuer of shares and lender (with no business or operations) 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 from the Company and accordingly it is appropriate that no remuneration report is included within the financial statements. Their remuneration by other companies in the Group is subject to the Group's corporate governance arrangements.

The Board confirms that the performance of each of the directors continues to be effective, which is illustrated by the effective relationship with the 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.

In the opinion of the Company Directors, the interests of the Company and ZDP shareholders are adequately covered by the governance procedures 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.

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 when cash falls due to be paid to ZDP Shareholders. The Company has no business and no employees or executive management 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.

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.

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 recent statements by the board of Inland in the context of its losses for the year to 30 September 2022 and the state of negotiations with certain lenders relating to the waiver of covenant breaches as described in more detail in the Principal Risks section of the strategic report.

Board composition

None of the Directors are independent by virtue of their roles as Directors and employees of other companies in the Group. 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. The Board notes the new Listing Rule requiring a statement in the annual report setting out whether the Company has met certain Board diversity targets and the following tables setting out the gender and ethnicity of the Board and senior management:

Gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
Men	2	100%	2	0	n/a
Women	0	0%	0	0	n/a

Ethnicity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management *	Percentage of executive management*
White British or other White (including minority-white groups)	1	50%	1	0	n/a
Mixed/Multiple Ethnic Groups	0	0%	0	0	n/a
Asian/Asian British	1	50%	1	0	n/a
Black/African/Caribbean/Black British	0	0%	0	0	n/a
Other ethnic group, including Arab	0	0%	0	0	n/a

* the Company has no executive management.

The Company has two directors, one of whom is from a minority ethnic background and both of whom are male. It therefore meets the target that at least one individual on the Board is from a minority ethnic background (Asian British in this case), but does not have a woman in a senior position or comprise at least 40% women. The reason for the latter targets not being met is that, as the Company is a wholly owned subsidiary with no operations, the Board considers that diversity targets are more relevant to the Group holding company board than its own.

Community, employee and environmental issues (including climate change)
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.

The Board notes the new Listing Rule requirement to include a statement in its annual report setting out whether it has included climate related financial disclosures consistent with the *Recommendations of the Task Force on Climate-related Financial Disclosures* or its reasons for not doing so. As an entity with no business, employees or operations, formed solely to issue securities and lend the proceeds to Inland, the Company emits no greenhouse gas (GHG) and has no arrangements to monitor its GHG emissions or any related risks. As a lender to Inland Homes plc, the Board has considered the risk of climate related issues and their impact in the recoverability of its loan.

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 27-28. As explained in the Chairman's statement, breaches of covenants in loan agreements between Inland and two lenders have occurred and negotiations of the terms of waivers by the lenders are in progress. Inland has announced that it believes the relevant loans can be refinanced if the waivers are not forthcoming. The *basis of preparation* note to the financial statements and the audit report include a material uncertainty arising from the foregoing.

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 documenting the loan from the Company to Inland of the proceeds of the ZDP share placing, the loan is on terms requiring its repayment by Inland 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.

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.

Auditors

A resolution to reappoint PwC as independent auditors for the ensuing year will be proposed at the AGM in accordance with section 489 of the Companies Act 2006.

By order of the Board
Nishith Malde

Director

31 January 2023

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 UK Adopted 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.

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 or the principal risks and uncertainties that it faces.

On behalf of the Board
Nishith Malde
Director
31 January 2023

Report on the audit of the financial statements

Opinion

In our opinion, Inland ZDP Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: The Statement of financial position as at 30 September 2022; The Statement of comprehensive income, The Statement of changes in equity and The Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Group's audit committee ("Audit Committee").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. In order to meet its obligations with regards to the ZDP shares which are due for repayment in April 2024, the Company is dependent on the ability of Inland Homes Plc ("the Group") to repay its intercompany balance due to the Company as it falls due. The Group has recently announced anticipated losses for the financial year ended 30 September 2022 which will cause a breach of certain covenants and has forecast future breaches with two separate lenders. The Directors understand that the Group is currently in constructive discussions with both lenders to procure waivers for both the existing and any expected future covenant breaches and that as part of its normal course of business the Group has budgeted and forecast completion of planned land, housing and commercial units sales in order to remain a going concern. The Group's Board believes that these waivers will be forthcoming, and the Group has received written notification that one of the lenders' credit teams have approved the waivers. However, at the date of this report neither lender has contractually waived these covenant breaches.

Should the waivers not be obtained, the Directors understand the Group would aim to refinance the debt. However, should the lenders seek repayment of the associated debt of £49.3m in the near term, the Directors understand the Group would not have the ability to repay the debts. The recoverability of the intercompany receivable and by association the Company's ability to meet its repayment obligations in April 2024 is dependent on the Group continuing in operation as a going concern. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing loan documentation and assessing compliance with covenants and the risk of any covenant breach attaching to the ZDP shares.
- Assessing the financial position of Inland Homes Plc and in particular the position related to covenant compliance and liquidity projections.
- In relation to covenant breaches identified by Inland Homes Plc sighting the latest correspondence with the associated lenders around potential waivers of certain covenants that are breached and are forecast to be breached in their current form during the going concern review period.

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

Our audit approach

Context

There have been no significant changes to the Company or its operations during the year and we have performed a full scope audit of the Company. The current year had a greater regard to the fact that the ZDP shares are due for repayment in April 2024 as well as considering compliance with covenants attached to the loans to Inland Homes Plc.

Overview

Audit scope

- We have performed a full scope audit of the Company

Key audit matters

- Material uncertainty related to going concern
- Recoverability of intercompany receivable

Materiality

- Overall materiality: £337,000 based on 1% of total assets.

- Performance materiality: £168,000.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	**How our audit addressed the key audit matter**
Recoverability of intercompany receivable As disclosed in note 9 to the financial statements the Company is owed £33,754,000 by Inland Homes 2013 Limited as at the year end. Given the size of this receivable in the context of the entity we had a particular focus on the recoverability of the debt. As part of this assessment we have considered whether there were any climate related risks impacting the Inland Homes Plc group that could adversely impact the debts recovery.	We confirmed that the balance showing as receivable matched the payable in the counter parties books. We additionally assessed the debts recoverability by assessing the underlying value of the assets pledged as security for the debt as well as the wider assets within the Inland Homes Plc Group that could support repayment of the debt, noting no material climate related risks. We also considered the ability of the Group to turn these assets into cash, as needs be, sufficient to enable repayment of the debt as it falls due. No issues of note arose from this work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We have performed a full scope audit of the Company.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£337,000.
How we determined it	1% of total assets
Rationale for benchmark applied	We consider that total assets is an appropriate metric as it is the primary measure used by the shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark for non-trading entities.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% of overall materiality, amounting to £168,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £16,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in relation to the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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 has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the listing rules and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- inquiries with management and the Group's legal team, including in respect of known or suspected instances of non-compliance with laws and regulation and fraud, and review of board minutes and internal audit reports,
- identifying and testing journal entries, in particular testing a sample of journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 2 August 2022 to audit the financial statements for the year ended 30 September 2022 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

31 January 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Continuing operations	Note	Year ended 30 September 2022 £000	Year ended 30 September 2021 £000
Revenue			
Interest income	**2**	**1,689**	1,635
Total income		**1,689**	1,635
Expenditure			
Expenses	**3**	**-**	-
Total expenditure		**-**	-
Profit before finance costs and taxation		**1,689**	1,635
Finance costs	**4**	**(1,689)**	(1,635)
Profit before tax			-
Income tax	**5**	**-**	-
Result for the year and total comprehensive income		**-**	-
Earnings per share for result attributable to the equity holders of the company during the year	**6**	**0.0p**	0.0p

The accompanying accounting policies and notes on pages 26-33 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	30 September 2022 £000	30 September 2021 £000
Non-current assets			
Intercompany receivable	**9,11**	**33,754**	32,065
		33,754	32,065
Non-current liabilities			
Zero Dividend Preference Shares	**7**	**(33,704)**	(32,015)
		(33,704)	(32,015)
Net assets		**50**	50
Equity			
Ordinary share capital	**8**	**50**	50
Total equity		**50**	50

The financial statements were approved and authorised for issue by the Board of Directors on 31 January 2023 and signed on their behalf by:

Nishith Malde
Chairman

The accompanying accounting policies and notes on pages 26-33 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £000	Total £000
At 1 October 2020	50	50
Result and total comprehensive income for the year	-	-
At 30 September 2021	50	50
Result and total comprehensive income for the year	-	-
At 30 September 2022	**50**	**50**

The accompanying accounting policies and notes on pages 26-33 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Year ended 30 September 2022 £000	Year ended 30 September 2021 £000
Cash flow from operating activities		
Profit for the year / period before tax	**-**	-
Adjustments for:		
– interest expense	**1,689**	1,635
– interest and similar income	**(1,689)**	(1,635)
Net cash flow from operating activities	**-**	-
Net increase in cash and cash equivalents	**-**	-
Net cash and cash equivalents at beginning of the year	**-**	-
Net cash and cash equivalents at the end of the year	**-**	-

The accompanying accounting policies and notes on pages 26-33form an integral part of these financial statements.

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 UK adopted 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 2022.
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 4. 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.

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

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 however, having regard to the fact that the Company has 18,101,857 ZDP shares in issue as at 30 September 2022 which are due for repayment on 10 April 2024, the assessment considers the ability of the Company to remain a going concern up to the date that the shares fall due for repayment.

The going concern assessment considers the Company's principal risks and the ability to operate within the financial covenants of the ZDP shares. The ZDP shares and associated loan documentation impose a number of covenants that must be complied with which are discussed within the Chairman's Statement. As at 30 September 2022 the Company is compliant with all covenants and there are no forecast covenant breaches in the going concern period.

Going concern (continued)

In addition as Inland Homes plc ("the Group") is responsible for all the Company's liabilities including its obligations to ZDP Shareholders, pursuant to the Loan Note and Contribution Agreement, the Directors have due regard to the financial position of the Group as at the date of approving these accounts. The Group has recently announced anticipated losses of approximately £91m for the financial year ended 30 September 2022 and that it is in breach of certain borrowing covenants with two separate lenders.

The Directors understand that the Group is currently in constructive discussions with both lenders to procure waivers for both the existing and any expected future covenant breaches and that as part of its normal course of business the Group has budgeted and forecast completion of planned land, housing and commercial units sales in order to remain a going concern. The Group's Board believes that these waivers will be forthcoming, and the Group has received written notification that one of the lenders' credit teams have approved the waivers. However, at the date of this report neither lender has contractually waived these covenant breaches. Should the waivers not be obtained, the Directors understand the Group would aim to refinance the £49.3m debt. As the recoverability of the intercompany receivable in April 2024 and by association the Company's ability to meet its repayment obligations in April 2024 is dependent on the Group continuing in operation as a going concern these matters indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

At the time of approving these financial statements and after making the 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

Finance income is calculated on the amount lent to Inland 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 (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.

1.3 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 2022.

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, the Company has lent Inland the gross proceeds of its placings. 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.

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 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.

1.8 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.

1.9 Key assumptions

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.

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, notwithstanding the losses incurred in relation to construction activity in addition to which the guarantee from Inland in the Contribution Agreement and the first charge security over Pledged Assets enhance the prospect of recovery in the event of Inland becoming insolvent.

1.10 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 lend the proceeds of share issues to Inland and 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.

2 Interest income

Year ended	**30 September 2022 £000**	**30 September 2021 £000**
Interest income from group undertakings	**1,689**	1,635

3 Expenses

Administration expenses of £nil were suffered during the year (period ended 30 September 2021: £nil). All administration expenses during the year, including auditors' remuneration of £30,000 (2021 £25,000), were borne by the ultimate parent Company, Inland Homes plc and have not been recharged to the Company. 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 2022 £000**	**30 September 2021 £000**
ZDP share finance costs	**1,689**	1,635

5 Taxation

Year ended	**30 September 2022 £000**	**30 September 2021 £000**
Result before tax	**-**	-
Result on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.00% (2021: 19.00%)	**-**	-
ZDP share interest costs disallowed	**422**	310
Group relief	**(422)**	(310)
Tax charge	**-**	-

6 Earnings per ordinary share

The calculation of earnings per share is based on a result after tax figure for the year of £nil (year ended 30 September 2021: £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

Year ended	**30 September 2022 No.**	**30 September 2022 £000**	**30 September 2021 No.**	**30 September 2021 £000**
ZDP shares				
Opening ZDP shares	**18,101,857**	**32,015**	18,101,857	30,235
Issue costs adjustment	**-**	**-**	-	145
ZDP share interest cost	**-**	**1,689**	-	1,635
	18,101,857	**33,704**	18,101,857	32,015

During the year ended 30 September 2021 certain ZDP Share issue costs included in the book value brought forward were charged to the intercompany account between the Company and Inland because they were borne by Inland under the Contribution Agreement.

8 Ordinary share capital

Authorised/called up/allotted/fully paid

	At 30 September 2022 No.	**At 30 September 2022 £000**	**At 30 September 2021 No.**	**At 30 September 2021 £000**
Opening ordinary shares	**50,000**	**50**	50,000	50
Issued during the year	-	-	-	-
50,000 issued ordinary shares of £1 each	**50,000**	**50**	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.

Contractual maturity analysis for financial liabilities

	At 30 September 2022 £000	At 30 September 2021 £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	**-**	-
	36,457	36,457

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	2022 £000	2021 £000
Amounts due from ultimate parent company	**33,754**	32,065

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 a possible downturn in the value of the pledged assets by 10% (being a reduction of £4.21m) and following that assessment no credit loss, as defined by IFRS 9, would arise.

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:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Net fair value at 1 October 2021	30,502	-	-	30,502
Fair value movements during the year	995	-	-	995
Net fair value at 30 September 2022	**31,497**	**-**	**-**	**30,502**

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

The ZDP shares are carried at their accrued value using the effective interest method of 186.19p per share (30 September 2021: 176.86p) however their closing price on the main market of the London Stock Exchange on 30 September 2022 was 174.0p (30 September 2021: 168.5p).

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 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 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 or immediately upon an event of default. At 30 September 2022, the total amount due from the ultimate parent Company was £33,754,000 (30 September 2021: £32,065,000).

12 Ultimate controlling party

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

13 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 quoted company whose shares are traded on the AIM market of the London Stock Exchange. Copies of its annual report for the year ended 30 September 2022 will be available to view on Inland's website (www.inlandhomesplc.com) following their publication at the end of February 2023.

CORPORATE INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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
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).
Independent Auditors	PricewaterhouseCoopers LLP 40 Clarendon Rd, Watford WD17 1HZ