REGISTERED NUMBER: 10055536 (England and Wales)
SOCIAL HOUSING REGISTER NUMBER: 5055

Report of the Directors and

Financial Statements for the 15-month period 1 July 2018 to 30 September 2019

for

Rosewood Housing Limited

Rosewood Housing Limited (Registered number: 10055536)

Contents of the Financial Statements
for the Period 1 July 2018 to 30 September 2019

Rosewood Housing Limited (Registered number: 10055536)

Company Information
for the Period 1 July 2018 to 30 September 2019

DIRECTORS:	R J Laugharne N M Auerbach S Ingham
SECRETARY:	K Worth
REGISTERED OFFICE:	Burnham Yard London End Beaconsfield Buckinghamshire HP9 2JH
REGISTERED NUMBER:	10055536 (England and Wales)
SOCIAL HOUSING REGISTER NUMBER:	5055
AUDITORS:	BDO LLP (Statutory Auditor) 55 Baker Street Marylebone London W1U 7EU
SOLICITORS:	Devonshires 30 Finsbury Circus London EC2M 7DT

Report of the Directors
for the Period 1 July 2018 to 30 September 2019

The directors present their report together with the audited financial statements of the Company for the period ended 30 September 2019.

PRINCIPAL ACTIVITY
The principal activity of the Company in the period under review was that of the development of real estate and as a provider of social housing, having registered as a Private Registered Provider of Social Housing on 2 August 2018.

CHANGE IN ACCOUNTING REFERENCE DATE
On 14 June 2019, the Company changed its accounting reference date from 30 June to 30 September, in line with Inland Homes Plc. Consequently, the current period presented is 15 months and the comparative information is for 12 months throughout this report.

DIRECTORS
The directors who held office during the period from 1 July 2018 to the date of this report are as follows:

R J Laugharne
N M Auerbach
S Ingham
J D Baker – Resigned 14 March 2019
N Ewen – Resigned 31 October 2018

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS
The Company has made qualifying third party indemnity provisions for the benefit of directors which were made during the period and remain in force at the reporting date.

RESULTS AND DIVIDENDS
The results for the period are set out on page 9.

During the period under review the Company was concerned with the implementation of appropriate structures, procedures and policies leading to its registration as a Private Registered Provider of Social Housing on 2 August 2018, and operated 1 unit for social housing, let under affordable rent.

Since the period end the Company has been successful in procuring a new agreement with a management partner, Thrive Homes, which it did in December 2019. This has allowed further growth and at the date of this report the Company is operating 13 units including a mixture of affordable rent and share ownership units.

No dividends will be distributed for the period ended 30 September 2019 (year ended 30 June 2018: nil).

POST BALANCE SHEET EVENTS
On 11 March 2020, the World Health Organisation declared the coronavirus (COVID-19) a Global Pandemic. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is uncertain. Given the emergence and spread of COVID-19 occurred in 2020, it is considered relevant to conditions that existed at the balance sheet date.

Consequently COVID-19 is considered to be a non-adjusting post balance sheet event and as such has not impacted the measurement of assets and liabilities in these financial statements.

VALUE FOR MONEY

The Value for Money Standard for Registered Providers of Social Housing (2018) ('VfM') issued by the Regulator applies from 1 April 2018. The Value for Money Metrics are shown below:

Reinvestment
The financial statements represent the first period in which the Company registered as a provider of social housing and provided housing meaning that the investment in the period equals the total properties held at 30 September 2019, resulting in reinvestment of 100%.

New Supply Delivered
At 30 September 2019 the Company had delivered 1 unit for social housing which, for the same reasons outlined above, represents 100% of total units.
There were no non-social housing units.

Gearing
The Company's gearing, including amounts due group undertakings, and cash and cash equivalents as a percentage of tangible fixed assets is 67.6%.

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) interest cover
The Company was charged no interest during the period.

Headline Social Housing Cost Per Unit
During the period the Company incurred operating expenditure of £74,080 and held 1 unit resulting in a headline social housing cost per unit of £74,080.

Operating Margin
The financial statements represent the first period in which the Company provided social housing and accordingly, in this phase of its operations, reported a deficit of £66,578 on turnover of £7,502 resulting in a negative operating margin of 887.5%, attributed wholly to social housing.

Return on Capital Employed
As noted above, the Company reported an operating deficit in this first period of operation of a provider of social housing. Debt, representing amounts owed to group undertakings fall due within one year, resulting in a return on capital employed of 97.7%.

CODE OF GOVERNANCE

As part of the Company's Registered Provider application, the UK Corporate Governance was adopted. However, on review the NHF Code of Governance is more aligned to the business currently. The Company has therefore now chosen to adopted the 2015 edition of the NHF Code of Governance and is compliant with all applicable requirements.

COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Company has complied with the requirements of the regulatory standard. As the Company's parent undertaking is not a registered provider, the Company has mechanisms in place to ensure that it will receive such support and assistance as required to meet the regulators standards and other regulatory requirements.

The main risks arising from the Company's financial instruments are liquidity risk, interest rate risk, cash flow fair value interest risk, credit risk and property market risk. The directors review and agree policies for each of these risks and they are summarised below.

PRINCIPAL RISKS AND UNCERTAINTIES

Mitigating the impact of Covid-19 continues to be a focus for the Board. The Company's parent undertaking provides support and guidance to all its subsidiaries, in line with Public Health England and sector relevant advice. Risks and uncertainties resulting from the Pandemic continue to be assessed by the Parent Company and the Rosewood Housing Board.

In meeting its long-term objectives, the following risk and uncertainties affecting the Company are shown below alongside mitigating strategies:

Risk and uncertainties	Mitigating strategies
Valuation of properties	A prudent approach is taken to appraisal and assumptions around house price inflation help to mitigate some of this uncertainty.
Ability to secure new housing opportunities	The pipeline secured through the Company's parent and group mitigates some of the impact of this risk.
Rent regime risk	Outside of current committed regime, the Company takes a cautious view of future rental income.
Shared ownership risk: market exposure	The Company maintains a balanced portfolio between rented and sale tenures.
3rd party management contract performance	Performance KPIs and clear monthly reporting strategies mitigate this risk.
Health and safety	Regular statutory H&S checks are undertaken through a management contract, alongside an annual health and safety audit .
Cost and Inflation: linking to Brexit and a 'disorderly' no deal Brexit	Current strategy to secure opportunities through land and fixed price package deal arrangements provides certainty in the face of this risk.

Financial risk management objectives and policies
All potential areas of financial risk are regularly monitored and reviewed by directors and management. Any preventative or corrective measures are taken as necessary. The Company uses various financial instruments. These include cash, amounts owed to group undertakings and trade creditors and amounts due to group undertaking that arise directly from its operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail on the following page.

Liquidity risk
The Company seeks to manage financial risks by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility may be achieved by overdraft facilities.

Interest rate risk
The Company finances its operations through intercompany loans. The Company controls the exposure to interest rate fluctuations by ensuring that the level of gearing is maintained at a reasonable level.

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

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

- Settle the terms of payment with suppliers when agreeing the terms of each transaction;
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- Pay in accordance with the Company's contractual and other legal obligations.

STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company association for that period.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2014 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

STATEMENT OF BOARD MEMBERS RESPONSIBILITIES (continued)

The board members 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

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 board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

In preparing this report, the directors have taken advantage of Small Companies' exemptions provided by Section 415A of the Companies Act 2006 in not preparing a Strategic Report.

AUDITORS

The auditors, BDO LLP (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

S Ingham
....
S Ingham - Director

Date: 23rd September 2020.

Opinion

We have audited the financial statements of Rosewood Housing Limited ("the Company") for the 15 month period ended 30 September 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the 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 Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, which explains that the going concern of the Company is dependent on the Group which may need to refinance or extend certain facilities and is reliant on the agreements reached with lenders, all of which are non-binding. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Report of the Directors, 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.

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

Report of the Independent Auditors to the Member of
Rosewood Housing Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with the Housing and Regeneration Act 2008 and 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.

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

Date: 23rd September 2020.

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

Statement of Comprehensive Income
for the Period 1 July 2018 to 30 September 2019

	Notes	Period 01.07.18 to 30.09.19 £	Year Ended 30.06.18 £
TURNOVER		7,502	-
Operating expenditure		(74,080)	(1,571)
OPERATING DEFICIT AND DEFICIT BEFORE TAXATION	5	(66,578)	(1,571)
Tax on deficit	7	-	-
DEFICIT FOR THE FINANCIAL PERIOD/YEAR		(66,578)	(1,571)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR		(66,578)	(1,571)

The notes form an integral part of these financial statements

Rosewood Housing Limited (Registered number: 10055536)

Statement of Financial Position
30 September 2019

	Notes	30.09.19 £	30.06.18 £
FIXED ASSETS			
Properties under construction	8	1,246,805	-
Investment property	9	319,918	-
		1,566,723	-
CURRENT ASSETS			
Stocks	10	243,195	-
Trade and other debtors	11	7,759	1
Cash and cash equivalents		1,189	77
		252,143	78
CREDITORS			
Amounts falling due within one year	12	(1,887,014)	(1,648)
NET CURRENT LIABILITIES		(1,634,871)	(1,570)
TOTAL ASSETS LESS CURRENT LIABILITIES		(68,148)	(1,570)
CAPITAL AND RESERVES			
Called up share capital	14	1	1
Income and expenditure reserve	15	(68,149)	(1,571)
SHAREHOLDER'S DEFICIT		(68,148)	(1,570)

The financial statements were approved by the Board of Directors on 23rd September 2020.
and were signed on its behalf by:

S Ingham - Director

The notes form an integral part of these financial statements

Statement of Changes in Equity
for the Period 1 July 2018 to 30 September 2019

	Called up share capital £	Income and expenditure reserve £	Total equity £
Changes in equity			
Share capital	1	-	1
Total comprehensive income	-	(1,571)	(1,570)
Balance at 30 June 2018	1	(1,571)	(1,570)
Changes in equity			
Total comprehensive income	-	(66,578)	(66,578)
Balance at 30 September 2019	1	(68,149)	(68,148)

The notes form an integral part of these financial statements

1. **STATUTORY INFORMATION**

Rosewood Housing Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The Company is also registered with the Regulator of Social Housing.

2. **ACCOUNTING POLICIES**

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework", the Companies Act 2006, the Housing SORP 2018, statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Directive for Private Registered Providers of Social Housing 2019, having taken advantage of the exemptions for entities with less than 1,000 homes allowing reduced disclosures. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

2. **ACCOUNTING POLICIES – continued**

Accounting convention
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 £.

Where required, equivalent disclosures are given in the group accounts of Inland Homes Plc. The group accounts of Inland Homes Plc are available to the public and can be obtained as set out in note 16.

Going concern
The Board has reviewed the performance of the Group to which the Company is a member of for the current period and forecasts for the period to 30 September 2021. The going concern of the Company is dependent on that of the Group due to the use of intercompany debt across the Group to support the consolidated operations and therefore going concern has been considered at the Group level.

In preparing the forecasts the Directors have considered the market disruptions brought about by COVID-19 alongside the other risks and uncertainties, including credit risk and liquidity risk, the present economic climate, the current demand for land with planning consent and the state of the housing market in the geographic areas where the Group operates.

On 16 June 2020 the Group announced the unconditional sale of 94 plots at Wilton Park, Beaconsfield with completion achieved during September 2020 and on 20 July 2020 the Group announced the unconditional sale of a number of further land sales. In addition, the Group has forward residential sales of £15.6m including a block sale of 24 units on one site. The Group also has a contracted forward sale of a hotel under construction which will realise proceeds of £13.3m in early 2021. The current partnership housing order book stands at £100.4m including a further construction contract for £34.5m signed in July 2020. The Group currently has annualised residential and commercial rental income of c£2.4m. These actual and anticipated cash inflows are expected to ensure that the Group has sufficient working capital for its requirements.

The key risks faced by the Group (and indeed in our sectors) are set out in the Group's Annual Report. COVID-19 may result in further uncertainties that are not apparent at present.

In response to the current situation the Group has adopted stringent cash management procedures to conserve resources (announced on 30 March 2020), a range of other measures undertaken to reduce the cost base to further conserve cash (announced on 30 April 2020) and raised new equity of approximately £9.4m, net of expenses, to strengthen the balance sheet and provide additional liquidity in this uncertain period.

The Group has four facilities totalling £38.6m falling due for repayment within 12 months following the signing of these financial statements. These facilities will either be repaid from planned land sales over the next five months (some of which are already agreed and are with solicitors) or refinanced with new lenders or extended with the current lender. Whilst the Directors have had constructive discussions with all of their existing lenders and a number of other potential lenders they do not as yet have a binding commitment to extend or refinance any of the facilities beyond the going concern period.

2. **ACCOUNTING POLICIES – continued**

Going concern – continued

Further, the Directors note that the Group breached the interest cover covenant with one of its lenders as at 30 June 2020 and is forecast to breach the covenant at 30 September 2020. Whilst the Group has currently received credit approval from the lender in question to amend the covenant it does not currently have a formal binding agreement to do so. The Group has also received credit approval from the same lender to increase its facilities with this lender by £20m. Again, at the date of the signing of these accounts these commitments are non-binding but expected to be formally concluded in the very short term.

In this regard, the Board is confident of a successful outcome on the basis that on one significant loan, the loan is well below the loan to value (LTV) of 35% required under the facility and discussions with the lender during June 2020 were favourable, and on the other loans the parties have all indicated that they would be supportive of proposals inclusive of a waiver for the breach in covenant. In this respect we note the debt of £38.6m is with parties, including high net worth investors, that have had a successful track record of working with the Directors for over 20 years. In addition, the Group has further undrawn debt facilities of £28.8m at the date of signing of the accounts.

The Board has also performed detailed sensitivity analysis to test the Group's future liquidity and banking covenant compliance based on scenarios including:

- a delay in all land disposals and the sale of residential homes by three months and reducing the sales value by 10% in respect of land parcels and unit sales that have not exchanged contracts; and
- consideration of the likelihood of delay or cancellation of significant projects.

On these scenarios, the Group remained able to meet its debts and remain in compliance with all its covenants other than the need for a relaxation of the interest cover from one of its lenders, who have verbally indicated that they would consider this favourably. On the second scenario, the Group also relies on the renewal of a facility where the lender's agent has confirmed recently that the provider of the facility is supportive and has indicated that they would wish to renew this facility for a further period of more than 12 months. In the event that the Group was unable to proceed with its plans or the alternative actions described above, it has the option to sell certain valuable sites with planning consent which would cover any shortfall in cash.

The Strategy outlined above details our approach to the current situation but, the Board is mindful that no one can forecast exactly how the COVID-19 global pandemic will play out and how this may affect the Group, industry and the wider economy for the foreseeable future. A significant worsening of the situation and a return to a strict lockdown for a prolonged period would have implications for the Group as it would for many other businesses. Such a situation would require the Board to re-examine the Group's financial position at the time and if necessary, report any significant adverse changes.

In light of the possible to need to refinance or extend certain facilities and the reliance on the agreements reached with lenders, all of which are non-binding, the Directors note that a material uncertainty exists that may cast significant doubt about the Group's and therefore the Company's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the ordinary course of business. These financial statements do not include the adjustments that would be necessary should the going concern basis of preparation no longer be appropriate.

2. **ACCOUNTING POLICIES – continued**

Going concern - continued

At the time of approving the Financial Statements and after making appropriate enquiries, and in consideration of the material uncertainty discussed above, the Directors have a reasonable expectation that the Group and therefore the Company has adequate resources to continue in operational existence for the foreseeable future. The Company's parent undertaking has indicated that it will provide such support as is necessary for a period of at least 12 months from the date of signing these financial statements. The Directors therefore consider it appropriate to prepare the financial statements on the Going Concern basis.

Adoption of new accounting standards

In the current period, the Company has adopted the following accounting standards:
1. IFRS 9 'Financial Instruments'
2. IFRS 15 'Revenue from Contracts with Customers'

IFRS 9

IFRS 9, 'Financial instruments' replaces the provisions of IAS 39 which relates to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments and impairment of financial assets.

Financial assets

All financial assets within the scope of IFRS 9 are divided into the following categories: Amortised Cost and Financial Assets at Fair Value Through Profit and Loss (FVPL). Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired

The Directors have reviewed and assessed the Company's financial assets and concluded that the application of IFRS 9 has had no impact on the measurement of financial assets. Financial assets have been reclassified from Loans and Receivables to Amortised Cost.

Financial liabilities

All of the Company's financial liabilities are held at amortised cost. The IFRS 9 requirements regarding the classification and measurement of financial liabilities are broadly consistent with the previous standard, IAS 39. Accordingly, the adoption of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15

IFRS 15, 'Revenue from contracts with customers' ('IFRS 15'), establishes a principles-based approach for revenue recognition and is based on the concept of recognising revenue for obligations only when they are satisfied, and the control of goods or services is transferred. The standard is applicable to land sales.

Management have applied the modified retrospective application of IFRS 15 and have therefore carried out an assessment of the implication on the Company's financial position for the comparatives at 31 March 2017 and 30 June 2018. The transition to IFRS 15 did not have a material impact on the Company's opening retained earnings.

2. **ACCOUNTING POLICIES – continued**

Standards in issue but not yet effective

IFRS 16 Leases
IFRS 16 'Leases' was issued in January 2016 to replace IAS 17 'Leases' and is effective for accounting periods beginning on or after 1 January 2019. The Company will apply the standard from its mandatory adoption date of accounting periods commencing on or after 1 January 2019 and intends to apply the modified retrospective approach. The Directors have assessed that there will be no material impact on adoption for the year ending 30 September 2020.

Revenue
As noted earlier, in the current year, the Company adopted IFRS 15 'Revenue from Contracts with Customers'. This establishes a principles based approach for revenue recognition and is based on the concept of recognising revenue for obligations only when they are satisfied and the control of goods or services is transferred.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied, excluding VAT and trade discounts.

Rental income
Rental income, including service charges, derived from operating leases is recognised on a straight line basis over the lease term.

Investment property
Investment properties are those properties which are not occupied by the Company and which are held for long-term rental yields, capital appreciation or both.

Investment property also includes investment property under construction that will be developed for future use as investment property.

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

Any gain or loss resulting from the sale of an investment property is immediately recognised in the Company Income Statement. An investment property shall be derecognised on disposal.

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

Stocks
Inventories consist of land and work in progress and are valued at the lower of cost and net realisable value. Cost includes the purchase of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Net realisable value is estimated based upon the future expected selling price, less estimated costs of completion and estimated costs to sell.

2. **ACCOUNTING POLICIES - continued**

Taxation
Current tax is the tax currently payable based on taxable profit for the period calculated using tax rates and laws substantively enacted at the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries and joint ventures unless reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates and laws that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the year end date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Company Income Statement except where they relate to items that are recognised in other comprehensive income or directly in equity in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Financial assets
The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2. **ACCOUNTING POLICIES - continued**

Amortised cost - continued
Impairment provisions for all other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company’s financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and amounts due from joint ventures (other than those held at fair value through profit and loss) and associates in the consolidated statement of financial position.

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially recognised at fair value net of any transaction costs. Subsequently they are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the Company Income Statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the Company Income Statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Share capital and other equity reserves
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings represents cumulative net gains and losses recognised in the Company income statement together with other items such as dividends and share-based payments.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Fair value of investment properties

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

Classification between investment property and stocks

In applying the accounting policy for the recognition of properties between investment property and stocks, on completion management make a distinction between investment property and inventories based on the expected use of the asset.

An investment property is an asset that is held for long-term capital appreciation and/or income generation. Inventories are assets that are held with an intention for sale.

Rosewood Housing Limited is a registered provider and developer of high-quality, affordable homes providing Shared Ownerships units and Affordable Rent units.

The sale of Shared Ownerships units is the main ordinary course of business. The proportion of the properties expected to be sold through Shared Ownership is classified as inventory with the remainder classified as investment property reflecting the intention of the company to hold the properties for rental income. In order to estimate the proportion expected to be sold, management considers matters such as the affordability of the share ownership properties, local demand for shared ownership properties and its general experience of first tranche shared ownership sales in the social housing sector.

The rental of Affordable Rent units is classified as investment property reflecting the intention of the company to hold the properties for rental income.

4. **EMPLOYEES AND DIRECTORS**

There were no employees or direct staff costs for the period ended 30 September 2019 nor for the year ended 30 June 2018.

An amount of £30,389 (2018 – nil) has been recharged from Inland Limited, a fellow subsidiary undertaking, in respect of time spent by employees of that undertaking engaged in the operations of Rosewood Housing Limited.

5. **LOSS FOR THE FINANCIAL PERIOD/YEAR**

The audit fees were borne by the ultimate parent Company, Inland Homes plc.

6. **ACCOMODATION UNITS AND SOCIAL HOUSING TURONVER AND COSTS**

At 30 September 2019, the Company held one unit, let under affordable rent. All rent receivable and costs recognised in the Statement of Comprehensive Income were incurred in respect of that unit.

There was no service charge receivable in the period. There were no void losses with the property only remaining empty in the period between practical completion and the initial letting.

No financial assistance or other government grants have been received.

7. **TAXATION**

Analysis of tax expense

No liability to UK corporation tax arose for the period ended 30 September 2019 nor for the year ended 30 June 2018.

Factors affecting the tax expense

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 01.07.18 to 30.09.19	Year Ended 30.06.18
	£	£
Loss before tax	(66,578)	(1,571)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	(12,650)	(298)
Group relief surrendered	12,650	298
Tax expense	-	-

8. PROPERTIES UNDER CONSTRUCTION

	Freehold property £
COST	
At 1 July 2018	-
Additions	1,246,805
At 30 September 2019	1,246,805
NET BOOK VALUE	
At 30 September 2019	1,246,805
At 30 June 2018	-

9. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2018	-
Additions	319,918
At 30 September 2019	319,918
NET BOOK VALUE	
At 30 September 2019	319,918
At 30 June 2018	-

10. STOCKS

	30.09.19 £	30.06.18 £
Work-in-progress	243,195	-

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

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.09.19	30.06.18
	£	£
Trade debtors	7,502	-
Called up share capital not paid	1	1
Prepayments and accrued income	256	-
	7,759	1

Debtors disclosed above are classified as amortised cost and are therefore measured at amortised cost. All amounts fall due within one year.

The Company applies the general approach to providing for expected credit losses prescribed by IFRS 9 for other receivables. The expected credit loss provision in the current period and prior year are immaterial.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.09.19	30.06.18
	£	£
Trade creditors	7,908	648
Amounts owed to group undertakings	1,059,599	1,000
Other creditors	815,000	-
Accruals and deferred income	4,507	-
	1,887,014	1,648

Amounts owed to parent undertaking are unsecured and are repayable on demand. No interest is charged on the loans.

13. COMMITMENTS

At 30 September 2019 the Company had entered into an agreement for the development of a property with a commitment at the period end of £924,689 which will be funded by Inland Limited. The costs incurred to 30 September are held as work in progress.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.09.19 £	30.06.18 £
1	Ordinary	1	1	1

The Company has one class of ordinary shares which carry on right to fixed income. These shares carry voting rights of one vote per share.

15. **RESERVES**

	Retained deficit £
At 1 July 2018	(1,571)
Deficit for the period	(66,578)
At 30 September 2019	(68,149)

16. **ULTIMATE CONTROLLING PARTY AND INTRA GROUP TRANSACTIONS**
Inland Limited owns 100% of the ordinary share capital of the Company and is therefore the immediate parent Company. The directors regard Inland Homes Plc, which is incorporated in the United Kingdom, as the ultimate parent Company and controlling party and is the largest and smallest group undertaking for which group accounts are prepared and made publicly available. A copy of the group accounts can be requested from the Company Secretary, Inland Homes Plc, Burnham Yard, London End, Beaconsfield, HP9 2JH.

Details of intra group transactions are given in notes in the accounts including a recharge for staff costs (note 4) and audit fees, (note 5), for which no recharge was made. The Company operates from the group's premises in Beaconsfield and no charge is made for the property or any other services.

Funding for the purchase of assets has been provided by Inland Limited and details are shown in note 12.

The Company is the only registered entity in the group. Full details of all the entities in the group can be found in note 20 to the group accounts.

17. **POST BALANCE SHEET EVENTS**
On 11 March 2020, the World Health Organisation declared the coronavirus (COVID-19) a Global Pandemic. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is uncertain. Given the emergence and spread of COVID-19 occurred in 2020, it is considered relevant to conditions that existed at the balance sheet date.

Consequently COVID-19 is considered to be a non-adjusting post balance sheet event and as such has not impacted the measurement of assets and liabilities in these financial statements.