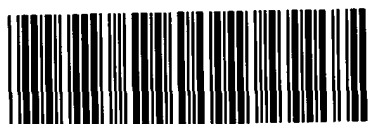


**DAVID WILSON HOMES LIMITED**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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<b>DAVID WILSON HOMES LIMITED</b>
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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	S J Boyes D F Thomas M I Scott (appointed 6 December 2021)
<b>COMPANY SECRETARY</b>	Barratt Corporate Secretarial Services Limited
<b>REGISTERED NUMBER</b>	00830271
<b>REGISTERED OFFICE</b>	Barratt House, Cartwright Way, Forest Business Park Bardon Hill Coalville Leicestershire UK LE67 1UF
<b>INDEPENDENT AUDITOR</b>	Deloitte LLP Statutory Auditor 2 New Street Square London UK EC4A 3BZ

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**DAVID WILSON HOMES LIMITED**

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**DAVID WILSON HOMES LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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**INTRODUCTION**

The Directors present their Strategic Report for the year ended 30 June 2022.

The Company has continued to trade successfully as a member of the Barratt Developments PLC group of companies (the "Group"), delivering housing completions from 1 site (2021: 3 sites) in England during the year.

**KEY PERFORMANCE INDICATORS**

The main key performance indicators (KPIs) used to monitor the performance of the business are as follows and other KPIs are detailed in the Our Priorities section of this report:

Key performance indicator	2022	2021	Movement	Discussed in the section entitled
<b>Operational</b>				
<b>Residential completion numbers</b>	<b>85</b>	<b>79</b>	<b>8%</b>	'Housebuilding'
<b>Average selling price</b> Residential turnover divided by the number of completions	<b>£362,900</b>	<b>£356,600</b>	<b>2%</b>	'Housebuilding'
<b>Land bank plots</b> Number of residential plots owned and controlled	<b>470</b>	<b>555</b>	<b>(15)%</b>	'Land'
<b>Customer satisfaction levels</b> The percentage of the Group housebuilding customers surveyed who would 'recommend us to a friend'	<b>HBF 5* Over 90%</b>	<b>HBF 5* Over 90%</b>	<b>N/A</b>	'Customer first'
<b>Financial</b>				
Turnover (£'000)	<b>30,843</b>	<b>28,170</b>	<b>10%</b>	'Housebuilding'
Operating (loss)/profit (£'000)	<b>(2,956)</b>	<b>2,750</b>	<b>N/A</b>	'Housebuilding'
(Loss)/profit before tax (£'000)	<b>(1,789)</b>	<b>3,824</b>	<b>N/A</b>	'Housebuilding'

\*Home Builders Federation (HBF) is an industry recognised independently measured indicator of our customer service and build quality.

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**DAVID WILSON HOMES LIMITED**

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**BUSINESS REVIEW****Housebuilding**

Completions increased by 8% to 85 (2021 - 79) and were all from the Company's active site in Newbury. The Company intends to fully develop and sell homes on its existing land, and future land purchases are likely to be limited.

Housebuilding revenue totalled £30.8m (2021 - £28.2m) an increase of 10%, resulting from an increase in the number of housebuilding completions and some house price inflation partially offset by an increase in the proportion of affordable completions in the year. Of the housebuilding completions, 62 (2021 - 66) were private and 23 (2021 - 13) were affordable. Affordable housing completions represented 27% (2021 - 16%) of completions in the year.

The average selling price increased by 2% to £362,900 (2021 - £356,600). This reflects underlying houseprice inflation partially offset by a change in the mix of homes sold.

Help to Buy (Equity Loan) has continued to provide a very attractive opportunity for our customers, especially for first time buyers. During the year 27% (2021 - 52%) of the Company's total completions used the scheme. This scheme is due to cease in March 2023.

During the year the Company made an operating loss of £3.0m (2021 - £2.8m profit), and the loss before tax was £1.8m (2021 - profit £3.8m). The reduction in the Company's operating margin was due to an increase in estimates of costs to complete on the Company's site where additional costs for rectification work have been recognised during the year, together with an increased allocation of Group overheads and the expensing of £2.1m of abortive land costs. The Company's net assets of £58.1m (2021: £71.5m). The reduction in net assets is due to a reduction in stock as the remaining land is built out, and the payment of a £12m dividend during the year.

**The homes we build**

The Company operates using the David Wilson Homes brand and during the year completed sales from 1 site in Southern England (2021 - 3 sites).

The Company currently offers private and affordable homes at an average selling price of £362,900 (2021 - £356,600).

**Land**

As at 30 June 2022, the Company had 470 (2021 - 555) owned and controlled plots. Current forecasts indicate that these plots will be constructed and sold during the next 5 years.

The Company's land and work in progress has a carrying value of £45.6m (2021 - £59.9m).

**Outlook**

Looking ahead, significant macroeconomic uncertainties remain, most notably around inflation and interest rates, and their impacts on UK economic growth, employment, and consumer confidence and spending. International incidents, notably the ongoing conflict in Ukraine, could also disrupt global supply chains and further affect confidence at home.

The Group's experienced Board remains focused on taking the actions necessary to safeguard the operational and financial strength of the business, including that of the Company, whilst their first priority remains the health and safety of its employees, sub-contractors and customers. The Board will continue to monitor the market and economy and believes that the Group's strong financial position provides the Group with the resilience and flexibility to react to changes in the operating environment in FY23 and beyond.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

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### Our Priorities

The Company operates as part of the Barratt Group and the priorities of the Company are therefore closely linked to two of the Group's priorities: customer first and leading construction.

#### Customer first

**The Group and Company aim to deliver customer satisfaction through building high quality homes and creating a positive customer experience throughout the homebuying process.**

#### *Strategic priority*

Customer satisfaction is key to the Group's ongoing success. The Group deliver this through building high quality homes and creating a positive customer experience throughout the home buying process. The Group monitors customers' evolving needs and aspirations through continuous customer feedback and surveys and use this to continually improve the homes and places the Group build.

#### *Key performance indicator*

- HBF 5 Star housebuilder (2021: HBF 5 Star)

#### *Progress*

#### *Customer service*

The Group have an absolute commitment to quality and customer service. Throughout the year, the Group have continued to identify and drive improvements to the customer journey. The Group is the only major housebuilder to have been awarded the maximum 5 Star rating by its customers in the HBF customer satisfaction survey for 13 consecutive years, where more than 90% of customers said they would recommend Barratt to a friend.

In December 2021, the Group was also named 'Sustainable Housebuilder of the Year 2021', recognising our determination to build a positive legacy for future generations.

### The New Homes Quality Code

During FY22, the following have been launched: the New Homes Quality Code (NHQC; the "Code") and the New Homes Ombudsman Service (NHOS), as well as the introduction of the process to register with the New Homes Quality Board (NHQB). The Code covers the period from initial enquiry through to completion, and then two years post-occupation and aims to build upon existing protections for homebuyers.

Reflecting the Group's absolute commitment to put the customer at the heart of everything it does, and its leading position around build quality and customer service, the Group has been active throughout the year in delivering additional training and investment across all functions to ensure that, with these changes, the Group continue to lead the industry and deliver exceptional customer service.

### Energy and water efficiency reduce new home costs and improve sustainability

The Group is continually striving to improve the energy efficiency and sustainability of our homes, and is adapting our home designs in response to Building Regulations and the subsequent changes within the Future Homes Standard, whilst keeping the customer experience at the forefront of all design decisions. The Group's aim is to build high-quality homes that optimise internal space and deliver excellent energy efficiency, resulting in lower lifetime costs for our customers.

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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### **Mortgage accessibility**

Through their own sustainability initiatives, UK mortgage lenders are increasingly engaging with the housebuilding industry regarding green mortgages. During the year, the Group supported a Halifax green mortgage pilot to help homebuyers seeking to purchase our energy efficient new homes. The pilot provides an increased mortgage loan size based on improved affordability, through reduced home running costs.

With the phase out of the Help to Buy scheme in March 2023, "Deposit Unlock", an industry-sponsored scheme piloted with the Newcastle Building Society, was launched during the year. This scheme provides homebuyers with access to 95% LTV (loan to value) lending with help from an insurance premium funded by the Group. The Nationwide Building Society joined the Deposit Unlock scheme in November 2021. The Group continue to explore alternative ways to improve mortgage availability for our customers.

### **Supporting our Armed Forces**

The Group is proud to remain a signatory to the Armed Forces Covenant and have a Deposit Contribution Scheme to help Armed Forces personnel onto the housing ladder. This scheme is available to qualifying UK Armed Forces personnel and offers a 5% deposit contribution, up to £15,000, toward our homes.

### **Leading construction**

**The Group aims to deliver the highest quality homes by focusing on excellence across all aspects of construction.**

#### *Strategic priority*

The Group deliver the highest quality homes by focusing on excellence across all aspects of construction. The Group continue to work with their partners to develop MMC at scale. The Group's construction processes, in collaboration with its supply chain partners, are key to our sustainability targets.

#### **Key performance indicator (Company)**

- Total completions 85 (2021 - 79)

#### *Progress*

It is a testament to the strength, experience and commitment of the Group's construction teams, sub-contractors (many of whom have worked with the Group for a number of years) and supply chain partners, that it has successfully grown construction activity in the year, despite the supply chain challenges and constraints around materials availability within many parts of the construction sector.

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## DAVID WILSON HOMES LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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#### *Delivering high quality homes*

This year, we have – once again – demonstrated our absolute commitment to build quality. Not only did the Group's construction teams successfully deliver growth in construction output, despite the supply chain challenges, they also delivered construction quality scores, measured by the NHBC, that continue to lead the industry.

At the 2021 Regional NHBC Pride in the Job Awards, in the Autumn, 31 Group site managers won "Seals of Excellence" and Group site managers secured five of the ten 2021 Regional Awards where the Group operates in the "Large Builder" category. In June, at the 2022 National NHBC Pride in the Job Awards, 98 Group site managers secured awards, more than any other housebuilder for the 18th consecutive year. No other major housebuilder has achieved this level of success and recognition for build quality on safe and efficient sites across the country.

#### **Our principles**

The Company operates as part of the Group and as such its principles are the same as those of the Group. The most important of these to the Company are detailed below.

#### **Keeping people safe**

Putting health and safety first by committing to the highest industry standards. Embedding health and safety as a core value for which we are all responsible.

#### *Key performance indicators*

- Group Health and safety compliance rate 97% (2021: 97%)

\*Details of SHE audit compliance can be found in the KPI section on page 5 of the annual report of Barratt Developments PLC.

#### *Progress*

As highlighted in last year's Group Annual Report, reflecting increased activity across housebuilding following the initial national lockdown, the Group experienced a significant increase in Injury Incidence Rate (IIR) in FY21 to 416 (FY20: 256) per 100,000 workers. Following the introduction of action plans to address the IIR, and with close monitoring from the Safety, Health and Environment (SHE) Committee, we are able to report a significant improvement has been achieved, with Group IIR reducing by 37% to 262 per 100,000 workers, and SHE audit compliance has been maintained at 97% (FY21: 97%).

#### **Building strong community relationships**

Engaging fully with local communities and customers when creating our developments. Ensuring we create places where our customers aspire to live and local communities thrive.



STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

*Progress*

In order to build high quality homes and developments where people want to live, it is vital that the Group put a great deal of time and investment into forging strong community relationships and providing the facilities that people want and need.

The Group's charitable partnerships are a crucial part of our strategy for community engagement. Now in its second year of operation, the Barratt Foundation was particularly active in FY22 – supporting over 500 charities and launching two new multi-year partnerships focused on social mobility and education.

The Group work hard to engage with children in local schools as they play such a big part in any community. The Group go to schools to teach children about the importance of health and safety on our developments, as well as the construction process, sustainability and careers in the industry.

**Safeguarding the environment**

Minimising the environmental impact of our operations and supply chain while increasing the energy and resource efficiency of our homes. Seeking to enhance habitats, biodiversity and local environments across all of our developments.

*Key performance indicators*

- Group carbon intensity (per 100 sq.m of legally completed build area) 1.53 (2021: 1.78)

\*Details of Group carbon intensity can be found in the KPI section on page 5 of the annual report of Barratt Developments PLC

*Progress*

The Group's scope 1 and 2 (market based) emission intensity reduced by 14% to 1.53 tCO<sub>2</sub>e/100m<sup>2</sup> (2021: 1.78 tCO<sub>2</sub>e/100m<sup>2</sup>). Scope 1 and 2 absolute emissions have reduced by 23% compared to 2018 levels, driven by progress in The Group's reduction initiatives:

- Electric or plug-in hybrid vehicles now comprise 41% of the Group's company car fleet;
- Offices where the Group is responsible for the electricity supply are now on renewable tariffs;
- The Group continues to reduce the use of diesel generators on sites by securing grid connections as early as possible;
- For those generators and telehandlers in operation, the Group are trialling the use of alternative fuels (e.g. hydrotreated vegetable oil) on just over 10% of its development sites; and
- The Group is ensuring that all plant on sites are the most fuel efficient available to us in the market.

The Group recognises its duty to reduce its climate impact and in order to limit its exposure to its most significant transition risks. The Group has developed a pathway to achieve net zero across its scope 1, 2 and 3 emissions by 2040. This goes beyond its 1.5°C-aligned science-based targets to reduce absolute scope 1 and 2 greenhouse gas emissions by 29% by 2025 and reduce scope 3 emissions intensity by 24% by 2030 (both compared to 2018 levels).

**DAVID WILSON HOMES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's financial and operational performance is subject to a number of risks. The Board seeks to ensure that appropriate processes are put in place to manage, monitor and mitigate these risks.

The Company recognises that the management of risk is fundamental to the achievement of Company targets. As such management throughout the Group are involved in this process. The majority of these risks are managed by Barratt Developments PLC at a Group level. Principal risks of the Company include, but are not limited to:

Risk	<b>Economic environment, including housing demand and mortgage availability</b>			
Risk description	<p>Changes in the UK macroeconomic environment may lead to falling demand or tightened mortgage availability, on which most of our customers are reliant, reducing the affordability of our homes.</p> <p>This could result in reduced sales volumes and affect our ability to provide profits</p> <p><b>Responsibility:</b> Group Executive Committee</p>			
Risk level/appetite	Risk level	High	Risk appetite	Medium
	Change from previous year	Increase	Change from previous year	No change
Risk response/mitigation	<ul style="list-style-type: none"> <li>Continual monitoring of the market at Board, Executive Committee, regional and operating divisional levels, leading to amendments in the Group's forecasts and planning as necessary.</li> <li>Comprehensive sales policies, regular reviews of pricing in local markets and development of good relationships with mortgage lenders.</li> <li>Disciplined operating framework with an appropriate capital structure and strong balance sheet.</li> </ul>			
Key risk indicators	Group gross and operating margins, PBT, ROCE, EPS, TSR, total home completions.			

**DAVID WILSON HOMES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

<b>Risk</b>	<b>Government regulation and planning policy</b>			
<b>Risk description</b>	Future changes in the regulatory environment may affect the conditions and time taken to obtain planning approval and technical requirements including changes to Building Regulations or environmental regulations, increasing the challenge of providing quality homes where they are most needed. Such changes may also impact our ability to meet our margin or site ROCE hurdle rates.			
<b>Risk level/appetite</b>	<b>Risk level</b>	Medium	<b>Risk appetite</b>	Low
	<b>Change from previous year</b>	No change	<b>Change from previous year</b>	No change
<b>Risk response/mitigation</b>	<p>The Group has:</p> <ul style="list-style-type: none"> <li>• Considerable in-house technical and planning expertise focused on complying with regulations and achieving implementable planning consents that meet local requirements.</li> <li>• Robust and rigorous design standards for the homes and places we develop that exceed current and expected statutory requirements.</li> <li>• Policies and technical guidance manuals for employees on regulatory compliance and the standards of business conduct expected.</li> <li>• Consultation with government agencies, membership of industry groups to help monitor, understand and plan for proposed regulation change.</li> </ul>			
<b>Key risk indicators</b>	Group gross and operating margin, PBT, ROCE, EPS, TSR, total home completions.			

**DAVID WILSON HOMES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

<b>Risk</b>	<b>Safety, health and environmental</b>			
<b>Risk description</b>	<p>Health and safety or environmental breaches can result in incidents affecting Group employees, sub-contractors and site visitors, and undermine the creation of a great place to work.</p> <p>They can also affect the wellbeing of Group employees and result in reputational damage, criminal prosecution and civil litigation, and delays in construction or increased costs.</p> <p><b>Responsibility:</b> Group Safety, Health and Environment Operating Committee</p>			
<b>Risk level/appetite</b>	<b>Risk level</b>	Medium	<b>Risk appetite</b>	Low
	<b>Change from previous year</b>	No change	<b>Change from previous year</b>	No change
<b>Risk response/mitigation</b>	<p>The Group has:</p> <ul style="list-style-type: none"> <li>• Dedicated internal health and safety team.</li> <li>• Regular health and safety monitoring, internal and external audits of all operational units, and regular senior management reviews of developments.</li> <li>• SHE management system that continually reinforces Group SHE policies and procedures.</li> <li>• Dedicated SHE Board and SHE Operations Committee that review key performance indicators and improvement plans.</li> <li>• Quarterly performance reviews by divisional management in all operating units.</li> <li>• Independent reviews of our SHE processes.</li> </ul>			
<b>Key risk indicators</b>	Health and safety (SHE audit compliance)			

**DAVID WILSON HOMES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

<b>Risk</b>	<b>Availability of finance and working capital</b>			
<b>Risk description</b>	<p>Unavailability of sufficient borrowing and surety facilities to settle liabilities and/or an ability to manage working capital, may mean the Group and therefore the Company, is unable to respond to changes in the economic environment, and take advantage of appropriate land buying and operational opportunities to deliver strategic priorities.</p> <p><b>Responsibility:</b> Group Treasury Committee</p>			
<b>Risk level/appetite</b>	<b>Risk level</b>	Low	<b>Risk appetite</b>	Low
	<b>Change from previous year</b>	No change	<b>Change from previous year</b>	No change
<b>Risk response/mitigation</b>	<p>The Group has:</p> <ul style="list-style-type: none"> <li>• Disciplined operating framework with an appropriate capital structure.</li> <li>• Management have stress tested the Group's resilience to a severe but plausible realisation of risks, and consider the funding available to be sufficient.</li> </ul>			
<b>Key risk indicators</b>	Group average net cash			

**DAVID WILSON HOMES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

<b>Risk</b>	<b>IT</b>			
<b>Risk description</b>	<p>A successful cyberattack on, or failure of, any of the Group's key systems, particularly those relating to customer information, surveying and valuation, could restrict the Group's operations and disrupt progress in its strategic priorities.</p> <p>Any breaches that lead to non-compliance with data regulations could also incur significant financial penalties and reputational damage.</p> <p><b>Responsibility:</b> Group Technology Risk Sub-committee</p>			
<b>Risk level/appetite</b>	<b>Risk level</b>	Medium	<b>Risk appetite</b>	Low
<b>Risk response/mitigation</b>	<b>Change from previous year</b>	No change	<b>Change from previous year</b>	No change
	<p>The Group has:</p> <ul style="list-style-type: none"> <li>• Technology Risk Sub-Committee provides oversight of technology risk.</li> <li>• Regular reviews to seek to reduce the risk of successful cyberattacks.</li> <li>• Group-wide compliance and policies on passwords and transferring data to third parties.</li> <li>• Mandatory information security training programme for all new employees.</li> <li>• Adoption of the recognised NIST cyber security control framework.</li> <li>• Entered into an information security risk insurance policy.</li> <li>• The Group continues to invest in its IT infrastructure.</li> </ul>			
<b>Key risk indicators</b>	Customer service gross and operating margin, PBT, ROCE and EPS.			

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

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**FINANCIAL RISK MANAGEMENT**

Both the Company and Barratt Developments PLC, on behalf of itself and its subsidiaries, manage financial risks that affect the Company. Where Barratt Developments PLC manages financial risks on behalf of the entire Barratt Developments PLC group of companies including the Company, these risks are discussed using the term 'Group' in this section.

The Group's operations and financing arrangements expose it to a variety of financial risks, of which the most material are: liquidity risk, availability of funding at reasonable margins, credit risk and interest rates. There is a regular, detailed system for the reporting and forecasting of cash flows from operations to Senior Management including Executive Directors to ensure that liquidity risks are promptly identified and appropriate mitigating actions are taken by the Treasury department. These forecasts are further stress-tested at a Group level on a regular basis to ensure that adequate headroom within facilities and banking covenants is maintained. In addition, the Group has in place a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance.

The Board approves treasury policies and certain day-to-day treasury activities have been delegated to a centralised Treasury Operating Committee, which in turn regularly reports to the Board. The Treasury department implements guidelines that are established by the Board and the Treasury Operating Committee.

**a) Liquidity risk**

Liquidity risk is the risk that either the Company or the Group will be unable to meet its liabilities as they fall due. The Company relies upon the banking facilities of the Group and is therefore subject to the same risks as the Group. The Group actively maintains a mixture of long-term and medium-term committed facilities that are designed to ensure that the Group has sufficient available funds for operations. The Group's borrowings are typically cyclical throughout the financial year and peak in April to May, and October to November of each year, due to seasonal trends in income. Accordingly, the Group maintains sufficient facility headroom to cover these requirements.

The Group was in compliance with its financial covenants at 30 June 2022. The Group's resilience to its principal risks, has been modelled together with possible mitigating actions, over a three-year period. At the date of approval of these Financial Statements, the Group's internal forecasts indicate that it will remain in compliance with these covenants for the foreseeable future, being at least 12 months from the date of signing these Financial Statements.

One of the Group's objectives is to minimise refinancing risk. The Group therefore has a policy that the average maturity of its committed bank facilities and private placement notes is a minimum of two years with a target of two to three years. At 30 June 2022, the average maturity of the Group's committed facilities was 3.8 years (2021: 4.0 years).

**b) Market risk (price risk)**

**Interest rate risk**

The Company and the Group have both interest bearing assets and interest bearing liabilities. Floating rate borrowings expose the Group to cash flow interest rate risk, and fixed rate borrowings expose the Group to fair value interest rate risk. The Company pays and receives interest to/from the Group at rates which are dependent upon the rates paid by the Group, and as such it is subject to the same interest rate risks as the Group.

The Group has a conservative treasury risk management strategy and the Group's interest rates are set using fixed rate debt instruments.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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Due to the level of the Group's interest cover ratio and in accordance with the Group's policy to hedge a proportion of the forecast RCF drawings based on the Group's three-year plan, no interest rate hedges are currently required.

Floating interest rates on sterling borrowings are linked to the SONIA and money market rates.

The floating rates are fixed in advance for periods generally ranging from one to six months. Short term flexibility is achieved through the use of overdraft, committed and uncommitted bank facilities.

The Group retained a strong cash position throughout the year and therefore, the Group did not draw on its RCF during the year the use of other facilities was minimal. No interest was paid on floating rate borrowings in 2022 or 2021.

Sterling USPP notes of £200.0m were issued on 22 August 2017 with a fixed coupon of 2.77% and a ten year maturity. These fixed rate notes expose the Group to fair value interest rate risk.

*Sensitivity analysis*

In the year ended 30 June 2022, if UK interest rates had been 3.0% higher (considered to be a reasonable possible change) and all other variables were held constant, the Company's pre-tax profit would increase by £1.0m, the Company's post-tax profit and equity would increase by £0.8m.

**c) Credit risk**

As at 30 June 2022, the Company was exposed to £21.9m (2021: £39.2m) of credit risk in relation to intercompany loans which are considered to be fully recoverable, as well as financial guarantees.

**d) Capital risk management (cash flow risk)**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and meet its liabilities as they fall due whilst maintaining an appropriate capital structure.

The Company ensures that there are appropriate controls over the levels of work in progress in the business in order to appropriately manage its capital. These controls are discussed in the business risk table on pages 7 to 9. In addition, the other methods by which the Company can manage its short-term and long-term capital structure include adjusting the level of ordinary dividends paid to shareholders and selling assets to reduce debt.



**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**SECTION 172(1) STATEMENT**

In this section we have set out how the Directors have acted in a way that promotes the success of the Company for the benefit of its members as a whole, in accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, whilst having regard to the following matters set out in s.172(1) of the Act:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Group and Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Directors understand that it is important for the business at all levels to engage with its stakeholders. Such engagement helps us to gain a better understanding of what areas they are interested in or concerned about and also how our decisions have impacted them. Healthy engagement with our stakeholders underpins our governance framework, which is embedded throughout our business and helps to ensure we maintain high standards of business conduct.

Engagement with stakeholders supports the Director's regard to the likely consequences of any decision in the long term, and key areas of focus are explained further in the priorities and principles sections of the Strategic Report.

The Directors appreciate that there may be situations where conflicts will arise between different stakeholder groups. In such circumstances, the Directors will seek to understand the needs and priorities of each stakeholder group during its discussions and as part of their decision making process. They will manage any such conflicts by assessing stakeholder interests from the perspective of the long term sustainable success of the business.

Throughout the year, the Directors and the Group Board remained mindful of the implications that their decisions would have on stakeholders as well as potential reputational risk for the Company and Group. This highlighted the continual need for regular, clear and comprehensive engagement with our workforce, suppliers and customers throughout various decision making processes to ensure that we continue to do the right thing and protect the reputation of the Company and the Group.

The stakeholders, which continue to represent the key resources and relationships that support the generation and preservation of value in the Company, are as follows:

- Customers
- Local communities
- Governments and regulators
- The Group's sub-contractors and supply chain
- Shareholders

The Company's engagement with these stakeholders is managed at both Group and Company level with the involvement of the Group Board and Company Directors. The following paragraphs set out how the Directors and Group Board have engaged with, and taken into consideration, the interests and concerns of our stakeholders who are material to the long-term success of the business.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

The following stakeholders are each discussed in each section as listed below:

- A) CUSTOMERS
- B) LOCAL COMMUNITIES
- C) GOVERNMENT AND REGULATORS
- D) THE GROUP'S SUB-CONTRACTORS AND SUPPLY CHAIN

**A) CUSTOMERS**

**Why we engage**

Customers are at the heart of everything we do. Without them there is no business for us to operate. It is imperative that we understand their needs and adapt our product accordingly.

**How we engage**

We utilise different methods of engagement with our customers depending on the information that we are trying to gain or provide.

*Company Engagement*

We ask for regular feedback from our customers both directly and through Trustpilot and the 8 week HBF National New Homes Customer Satisfaction survey to help us make improvements to our service and their home buying journey. We have, throughout the year, engaged with our customers on cladding and fire-safety to address any of their issues and concerns. The Group continuously updates its website with up-to-date information about Barratt and the sites customers may be interested in. The Group regularly provides customers with guidance on home and garden maintenance.

The Group continues to enhance customer research and insight programme to further deliver action led insights. Customers are involved in virtual research to understand their perceptions and preferences on matters such as the cost of living crisis, how they search for their new home, our brand positioning, our product, post-pandemic living preferences and the development of a new range of apartments. We also now cover the specification of future homes to aid decision making and future business planning. We are keen to understand customer awareness of sustainability within housebuilding, specifically around energy efficiency and changing legislation, and how this impacts their buying decisions, which is done through the use of quantitative surveys.

*Board Level Engagement*

The Customer and Change Director, Jeremy Hipkiss, updates the Board annually on actions taken to engage with customers and the outcomes of such engagement. They also seek to get insight on what else could or should be done.

**KPIs – How is effectiveness measured by the Group**

- 8-week HBF National New Homes Customer Satisfaction rating – Group HBF 5 Star rating for the 13th consecutive year.
- Defect resolution – number of open defects and time taken to resolve

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

**Interests and concerns**

Through the engagement activities undertaken, the following areas were identified as the key interests and concerns of our customers:

During FY22, the key interests and concerns of our customers related to home working, aftersales care, energy efficiency of our homes, green spaces, cladding and fire-safety of multi-storey buildings and mortgage availability and affordability.

**Outcomes of engagement**

We constantly look to improve in response to any feedback or information from our customers. During FY22 we adapted our marketing plans to more effectively communicate with our customers about gardens, public open spaces, cost savings associated with our energy efficient homes, how we are designing homes to support flexible living and the changes being made due to the requirements of the Future Homes Standard. We provided ultrafast broadband to our homes to facilitate home working, and engaged with lenders to encourage mortgage product innovation to support affordability challenges and improve mortgage products, process and criteria for our customers.

**Effect of engagement with customers on decisions**

The Board continued to drive defect and complaint resolution across the divisions and issued revised policies and procedures to ensure compliance with the future requirements of the New Homes Quality Code and New Homes Ombudsman Service. The Board, through the Executive Committee, closely monitors build stage movements to ensure customers receive handover of their new home within agreed timescales and agreed action plans to support those sites struggling to make a sale. The Board is fully focused on ensuring that the homes for those customers who are looking to benefit from Help to Buy before it ceases in March 2023, are build complete by no later than December 2022.

The Board agreed to launch Deposit Unlock, facilitating 95% lending on New Build houses and flats, and continues to support the promotion of Green Mortgages, which link the savings from energy efficiency to affordability assessments.

**B) LOCAL COMMUNITIES**

The Company's sites are developed by the Group and as such engagement with local communities is managed by the Group.

**Why we engage**

It is important for us to engage with the local communities in which the Company's homes are built to ensure that we are responding to local needs and are able to create value whilst considering the impact that our business has on the local environment and the use of natural resources in our build process. We need to protect habitats and resources as we focus on creating sustainable homes. Regular and open engagement helps ease the whole build process, in particular planning, as it mitigates against objections from members of the community which could lead to undue delay and increased costs.

**How we engage**

We use a range of engagement methods to enable the local communities to better understand how we can benefit them and how we will protect the local environment around them.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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*Company Engagement*

To ensure that community needs and considerations, including impact on the local environment, are taken into account at the earliest stage of the development process, we hold meetings and site specific consultations which all local residents are welcome to attend. We also hold in-person and virtual public exhibitions as well as regular meetings with other national and local organisations who are key to enhancing our environmental impact. These include parish/town councils, local planning authorities, environmental regulators, Local Water Authorities and Natural England. At these meetings we consult and seek views on our plans and look to incorporate the feedback we receive. We pay particular attention to residents' concerns about how our activities might impact the natural environment.

We frequently share the contact details of site managers with relevant figures at the local parish council, to allow them to be contacted quickly and any issues with construction to be rectified.

We write to inform the local community of upcoming works that have the potential to cause disruption, such as highway and infrastructure works. On many sites we distribute a quarterly newsletter update on development progress so the local community can see what is happening in more detail and have forewarning about any disruptions.

We use signage in and around our site to demonstrate our credentials and the value that our activities bring to local communities. We highlight the number of jobs and businesses supported, amount of green space created and retained, and section 106 contributions to local infrastructure and services.

*Board Level Engagement*

The Group Chief Executive and the Group Chief Operating Officer keep the Board apprised of any local issues that have been identified and have the potential to escalate into a wider matter that may impact the business as a whole. There are also two updates a year from the Group Construction and SHE Director as well as regular updates from the Sustainability Committee. The Board also receives an update from the Barratt Foundation twice a year including the impact our donations are having on local communities and the protection of the environment.

**Interests and concerns**

The key interests and concerns of communities relate to our socio economic footprints, our impact on the environment and the availability of green spaces, disruption during construction of our developments including noise and air pollution, the safety and protection of members of the community around our developments, the impact of development on the local population, and the potential for knock-on pressures on the supporting infrastructure and the impact of the development on the environmental resilience of the landscape, including on biodiversity, public green space and flood resistance.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

**Outcomes of engagement**

Engagement with local communities enables us to better understand their needs and to develop a positive legacy from building great places to live, with the facilities that will help the local community thrive.

The protection of the environment is a key area of concern. We therefore aim to be mindful of our impact on the environment in everything that we do and have put in place steps to support this. The Group is accredited to ISO 14001 which demonstrates that we have robust policies and procedures for environmental management. We are also externally audited. The Group's comprehensive Impacts and Aspects Register enables us to consider any areas where improvements can be made. All of the Group's Safety, Health and Environmental team are individual members of the Institution of Environmental Management and Assessment and provide support and guidance to our Divisional team in managing site based environmental aspects and impacts. The Group has a team of sustainability practitioners who assist with considering our wider business environmental and carbon impacts and drive improvements.

The Group has set stringent, science-based targets for carbon emissions reduction and are committed to enhancing biodiversity.

**Effect of engagement with local communities on decisions**

The Group monitors and reports its impact publicly across a range of environmental indicators, including carbon emissions, water usage, waste generation, environmental incidents and prosecutions.

The Group Board are keen to ensure that the Group continues to support and enhance the local communities in which it operates (and that we support them as much as we can). Accordingly, the Board entered into a three-year funding agreement with the Barratt Foundation enabling it to engage in multi-year charitable partnerships and have a real positive impact on the communities in which we operate.

**C) GOVERNMENT AND REGULATORS**

The Company is part of the Barratt Developments PLC Group, and engagement with Government and regulators is managed and carried out by the Group. Details of how the Group engages with Government and regulators is provided in the Annual Report and Accounts of Barratt Developments PLC which are available at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk).

**Why we engage**

The Government, opposition parties and regulators are responsible for setting the legal and regulatory environment in which the Company operates. The Group engages with these groups so that we fully understand any potential changes to our operating environment, and so that policy decision-makers are aware of the industry's perspective, and the potential impact of any proposed changes on the sector, on the wider business environment, and on our customers.

**How we engage**

We engage with ministers, MPs and regulators through a number of channels.

*Company Engagement*

The Group Board and the Company Directors are committed to ensuring that the Company is open and transparent with regulators and take their regulatory responsibilities very seriously. We work closely with local authorities to ensure that our developments meet the relevant planning requirements and enhance the facilities and housing within the local area. As part of the Group's determination to be the leading national sustainable housebuilder they understand the importance of engaging closely with Government and regulators on sustainability issues, to create solutions to shared problems at the pace appropriate to the scale of transformation required.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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*Board Level Engagement*

The Group Chief Executive provides an update on the engagement with, knowledge gained and impact on the business (if any), Government and regulators. In addition, the Group Communications Team provide email updates on information received from government or regulators and the impact (if any) on the business.

**Outcomes of engagement**

Reassurance provided to the Government and the regulators that we are doing the right thing by:

- Our customers, by ensuring they can complete their purchases; and
- The general public, through the Group's industry leading site safety protocols and charitable contributions.

**Effect of engagement with Government and regulators on decisions**

Engagement with key political stakeholders assists the Board in understanding the risks and opportunities presented to the business by changes to the operating environment, allowing them to make decisions in line with the strategic interests of the business.

**D) THE GROUP'S SUB-CONTRACTORS AND SUPPLY CHAIN**

The Company is part of the Barratt Developments PLC Group, and engagement with Sub-contractors and the supply chain is managed and carried out by the Group.

**Why the Group engages**

Without the Groups sub-contractors and supply chain the Group would not be able to build the homes sold by the Company. It is therefore important for the Group to build relationships with them to secure continuity of supply of materials, support our productivity levels, avoid increased costs of sourcing alternative suppliers and avoid undue delays in construction.

**How the Group engages with sub-contractors and the supply chain**

The following methods of engagement give the Group the opportunity to speak to subcontractors and our supply chain as a group which ensures consistency in the messaging and opportunity for networking and sharing ideas and best practice. Individual meetings allow us to focus on specific areas or issues relevant to that stakeholder.

*Company Engagement*

The Group held its annual Supply Chain conference in person in March 2022. It was attended by 125 key group suppliers. The Group shared immediate and medium term plans and thoughts on the role suppliers can play in helping to achieve Group objectives, including the reduction of Scope 3 emissions, and gained an understanding of the issues they were facing and how the Group could support them.

The Group shared relevant demand forecasting information with all key material suppliers to enable them to ensure appropriate manufacturing capacity is available to meet its requirements.

The Group asked suppliers to assess themselves against our Supplier Sustainability Maturity Matrix to drive progress in the priority areas of carbon, waste, modern slavery, and governance. In support of this, the Group held a waste reduction workshop with a cross section of suppliers and had one-to-one meetings to discuss the use of alternative fuels such as electricity and hydrogen.

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**DAVID WILSON HOMES LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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*Board Level Engagement*

Members of the Group Board attend the supplier conference. The Chief Operating Officer provides an update on the supply chain and sub-contractor performance at each Board meeting.

**Interests and concerns**

The key interests and concerns of sub-contractors and supply chain related to the health and safety of their employees whilst working on site, modern slavery, living wage and our actions and progress in respect of our sustainability and carbon reduction strategies and initiatives. Given the current cost of living crisis, it is not surprising that sub-contractors and supply chain are concerned with being paid in a timely manner. Details of the Group's prompt payment practices can be found on the Group website.

**Outcomes from engagement**

The Group has received positive feedback regarding our leadership on sustainability issues ranging from carbon and waste to commitments on modern slavery and the real Living Wage. The Group closely monitors its prompt payment performance.

**Effect of engagement with sub-contractors and the supply chain on Board decisions**

To further enhance the relationships with sub-contractors and supply chain the Group Board agreed to hold an additional conference during the year. Due to the challenges with the availability of certain materials the Group Board asked the Group Chief Operating Officer to update it at each meeting. To improve the accuracy of the baseline and yearly emissions performance the Group Board agreed to refine the GHG emissions factors used for specific products and services.

**SHAREHOLDERS**

The Company is a wholly owned subsidiary within the Barratt Developments PLC Group, it's sole shareholder is Wilson Bowden Limited.

**GREENHOUSE GAS EMISSIONS (GHG)**

No separate information is provided in this report since the emissions reportable for the Company are included within the Group emissions disclosed in the Annual Report and Accounts of Barratt Developments PLC.

This report was approved by the Board on and signed on its behalf.



**M I Scott**  
Director

Date: 30 March 2023

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**DAVID WILSON HOMES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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The Directors present their annual report and the audited financial statements for the year ended 30 June 2022.

**PRINCIPAL ACTIVITY**

The Company's principal activity is the development of land for new housing.

**GOING CONCERN**

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

As at 30 June 2022 the Company had net assets of £58.1m. The Company's main assets were stocks of £48.3m and an amount of £21.9m due from another Group company.

The future financial performance of the Company is dependant upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Company include flat or negative economic growth, buyer confidence, mortgage availability and affordability, competitor pricing, new housing supply, falls in house prices or land values and the cost and availability of raw materials, sub-contractors and suppliers.

The Company is forecast to be profitable going forward. The operating profit forecast has been sensitised to take into account what is estimated to be a reasonable worst case scenario of the potential impacts of risks to which the Company is exposed, being a 10% reduction in selling prices, a 5% increase in costs and a 25% decrease in volumes sold. The sensitised forecast shows that under these circumstances the Company is forecast to be profitable.

At 30 June 2022, the Group held cash of £1,352.7m and total loans and borrowings of £217.3m, consisting of £17.3m of overdrafts repayable on demand and £200.0m Sterling USPP notes maturing in August 2027. These balances, set against pre-paid facility fees, comprise the Group's net cash of £1,138.6m.

Should further funding be required, the Group has a committed £700.0m RCF, subject to compliance with certain financial covenants, that matures in November 2027.

The Group's and Company's financial forecasts reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these Financial Statements.

To assess the Group's and Company's resilience to more adverse outcomes, forecast performance was sensitised to reflect a series of scenarios based on the principal risks and the downside prospects for the UK economy and housing market presented in the latest available external economic forecasts.

This exercise included a reasonable worst-case scenario in which the principal risks manifest in aggregate to a severe but plausible level. This assumed that average selling prices fall by 10%, sales volumes fall by 15%, and construction costs increase by between 5% and 9% from the base forecasts, in addition to the implementation of a building safety level and the acceleration of regulatory changes to reduce indirect greenhouse gas emissions.



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**DAVID WILSON HOMES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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The effects were modelled over the three-year period covered by the Directors' viability review, alongside reasonable mitigation that the Group would expect to undertake in such circumstances, primarily a reduction in investment in inventories in line with the fall in expected sales. In all scenarios, including the reasonable worst case, the Group is able to comply with its financial covenants, operate within its current facilities and meet its liabilities as they fall due.

Furthermore, a reverse stress test was performed to determine the market conditions in which the Group, without mitigating action, would cease to be able to operate under its current facilities. Based on past experience and current economic forecasts, the Directors consider the possibility of this outcome to be remote and have identified mitigation that would be adopted in such circumstances.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Financial Statements.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £1,412,000 (2021 - profit £3,096,000).

A dividend of £12.00 per share was paid during the year. No final dividend was proposed at the year end (2021 - £12.00).

#### **DIRECTORS**

The Directors who served during the year and subsequently to the date of this report were:

S J Boyes  
D F Thomas  
M I Scott (appointed 6 December 2021)

#### **DIRECTORS' INDEMNITIES**

Following shareholder approval in January 2006, Barratt Developments PLC has provided indemnity to the Directors and Company Secretary of all Group companies, including David Wilson Homes Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 Companies Act 2006.

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

The Company's detailed business review and outlook and information relating to its risks and priorities going forward are included within the Strategic Report.

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**DAVID WILSON HOMES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a Director at the time when this Directors' report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

**POST BALANCE SHEET EVENTS**

At the date of signing there were no post balance sheet events to report.

**AUDITOR**

Deloitte LLP has expressed its willingness to be reappointed for another term and appropriate arrangements have been put in place for Deloitte to be reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the Board and signed on its behalf.



**M I Scott**  
Director

Date: 30 March 2023

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<b>DAVID WILSON HOMES LIMITED</b>
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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

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The Directors are responsible for preparing the Strategic report, the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these audited financial statements, the Directors are required to:

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

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

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**DAVID WILSON HOMES LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVID WILSON HOMES LIMITED**

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Report on the audit of the financial statements

**Opinion**

In our opinion the financial statements of David Wilson Homes Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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.

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

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

**Other information**

The other information comprises the information included in the annual's report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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**DAVID WILSON HOMES LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVID WILSON HOMES LIMITED**

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

We have nothing to report in this regard.

**Responsibilities of Directors**

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

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

**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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Company's environmental regulations, planning, and health and safety law.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVID WILSON HOMES LIMITED

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**Margin recognition**

The valuation and cost allocation framework determines the total profit forecast for the site. This allows the land and build costs of a development to be allocated to each individual unit, ensuring the forecast margin per unit is equalised across a development. This cost allocation framework drives the recognition of costs, and hence profit, as each unit is sold, which is the key judgement in the Income Statement and is where fraud could potentially occur. Accordingly, we consider the recognition of cost per unit and therefore the appropriate margin to be a significant risk.

For the development there is judgement in:

- Estimating the inputs included within the site budget, including future revenues and costs to complete, in order to determine the level of profit that each unit of the development will deliver;
- Determination of future house price inflation and build cost inflation;
- Appropriately allocating costs such as shared infrastructure relating to a development so that the gross profit margin (in percentage terms) achieved on each individual unit is equal;
- Recognising site contingencies and their impact on margin; and
- Recording the variation when a deviation from the initial budget occurs and ensuring such variations are appropriately recognised to those units impacted by the deviation.

These judgements impact the profit recognised on each unit sold and reported margin is a key metric for the Company.

Our work included:

- Tested the relevant controls covering the site valuation, land acquisition feasibilities and margin review;
- On a sample basis, agreed the cost incurred to source documentation to verify work in progress;
- Made enquiries with management to support their cost to complete estimates and obtained external supporting evidence regarding costs to complete;
- Evaluated key estimates in the margin calculation, including the current and forecast macro-economic conditions such as future sales volume assumptions and house price and construction cost inflation;
- Analysed margin on site to identify material movements in the site margin compared to prior year. We evaluated and assessed the material variances through enquiries with management and obtaining corroborative evidence; and
- Used bespoke analytics to analyse costs to complete. This enabled us to analyse cost category composition of the site and compare to budgeted positions and company averages. We performed enquiries and obtained corroborative evidence for exceptions identified.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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**DAVID WILSON HOMES LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAVID WILSON HOMES LIMITED**

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**Report on other legal and regulatory requirements**

**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 strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the Director's report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Highton (Senior statutory auditor)

for and on behalf of  
**Deloitte LLP**

Statutory Auditor

2 New Street Square  
London  
UK  
EC4A 3BZ

30 March 2023

**DAVID WILSON HOMES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £000	2021 £000
Turnover	3	30,843	28,170
Cost of sales		(33,199)	(25,210)
<b>Gross (loss)/profit</b>		<b>(2,356)</b>	<b>2,960</b>
Administrative expenses		(629)	(306)
Other operating income	4	29	96
<b>Operating (loss)/profit</b>	5	<b>(2,956)</b>	<b>2,750</b>
Interest receivable and similar income	8	1,323	1,430
Interest payable and similar charges	9	(156)	(356)
<b>(Loss)/profit before tax</b>		<b>(1,789)</b>	<b>3,824</b>
Tax on (loss)/profit	10	377	(728)
<b>(Loss)/profit for the financial year being total comprehensive (expense)/income</b>		<b>(1,412)</b>	<b>3,096</b>

All results are from continuing operations.

There was no other comprehensive expense for 2022 (2021 - comprehensive income £nil).

The notes on pages 32 to 49 form part of these financial statements.



**DAVID WILSON HOMES LIMITED**  
**REGISTERED NUMBER: 00830271**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	2022 £000	2022 £000	As restated* 2021 £000	As restated* 2021 £000
<b>Fixed assets</b>					
Investments	13		98		98
			<u>98</u>		<u>98</u>
<b>Current assets</b>					
Stocks	14	48,254		60,124	
Debtors: amounts falling due after more than one year	15	5		5	
Debtors: amounts falling due within one year	15	23,024		39,461	
Cash at bank and in hand		81		-	
		<u>71,364</u>		<u>99,590</u>	
Creditors: amounts falling due within one year*	16	(11,192)		(24,986)	
<b>Net current assets</b>			<u>60,172</u>		<u>74,604</u>
<b>Total assets less current liabilities</b>			<u>60,270</u>		<u>74,702</u>
<b>Provisions for liabilities</b>					
Provisions*	18	(2,190)		(3,190)	
			<u>(2,190)</u>		<u>(3,190)</u>
<b>Net assets</b>			<u><u>58,080</u></u>		<u><u>71,512</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		1,002		1,002
Share premium account			70		70
Retained earnings			57,008		70,440
<b>Total capital and reserves: Shareholders funds</b>			<u><u>58,080</u></u>		<u><u>71,512</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M I Scott**  
Director

Date: 30 March 2023

The notes on pages 32 to 49 form part of these financial statements.

\* Costs in relation to completed developments, previously included within accruals, have been reclassified as provisions as described in note 1.1 to the Financial Statements. The prior year balances have been re-presented to ensure comparability.

**DAVID WILSON HOMES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Share premium account	Retained earnings*	Total equity
	£000	£000	£000	£000
At 1 July 2021	1,002	70	70,440	71,512
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,412)	(1,412)
<b>Total comprehensive expense for the year</b>	-	-	(1,412)	(1,412)
Dividends (note 11)	-	-	(12,020)	(12,020)
<b>At 30 June 2022</b>	<b>1,002</b>	<b>70</b>	<b>57,008</b>	<b>58,080</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital	Share premium account	Retained earnings*	Total equity
	£000	£000	£000	£000
At 1 July 2020	1,002	70	67,344	68,416
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	3,096	3,096
<b>Total comprehensive income for the year</b>	-	-	3,096	3,096
<b>At 30 June 2021</b>	<b>1,002</b>	<b>70</b>	<b>70,440</b>	<b>71,512</b>

The notes on pages 32 to 49 form part of these financial statements.

\*Retained earnings comprises the accumulated profits and losses of the Company less cumulative dividends.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

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**1. ACCOUNTING POLICIES**

**1.1 General information and basis of preparation of financial statements**

David Wilson Homes Limited, a private company limited by shares, is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of its registered office is Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, UK, LE67 1UF. The principal activities of the Company are set out in the Director's Report.

The financial statements have been prepared under the historical cost convention and modified for certain items at fair value in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Application of accounting standards:

The Company holds a liability to cover further costs that are required to complete a development after all homes have been legally completed. This requires an assessment of the cost to complete and has historically been presented within trade and other payables. Increasing difficulty in obtaining adoption of infrastructure and open spaces has increased uncertainty over the timing and amount of these costs, therefore, it is now deemed appropriate to present these liabilities as provisions.

To ensure comparability, the relevant prior year balances have also been re-presented as provisions as at 30 June 2021. The impact of this change at 30 June 2021 is to increase provisions by £3,190,000 and decrease trade and other payables by £3,190,000 all within Current Liabilities in the Company's Statement of Financial Position. This has had no impact on net assets.

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES (CONTINUED)

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barratt Developments PLC as at 30 June 2022 and these financial statements may be obtained from [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk).

1.3 Going concern

The Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements as set out in the going concern section of the Directors' Report.

1.4 Turnover

*Sale of goods*

Turnover is recognised at legal completion in respect of the total proceeds of building and development. Turnover is measured at the fair value of consideration received or receivable and represents the amounts receivable for the property, net of discounts and VAT. The sale proceeds of part exchange houses are not included in revenue.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are valued at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on a straight line basis fixed over the expected useful life, and is based upon the cost of the asset to the Company, as follows:

Depreciation is provided on the following bases:

Plant and machinery	-	1-7 years
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1.6 Investments

Investments in fixed assets are valued at cost less provision for any impairment in value.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.7 Stocks**

Stocks, properties held for sale and work in progress, excluding long-term contract work in progress, are valued at the lower of cost and estimated selling price less costs to complete and sell which is equivalent to the net realisable value. Costs comprise direct materials, direct labour costs and those overheads which have been incurred in bringing the stocks to their present location and condition. Management assesses the cost held and where required will write down the stock to its net realisable value.

Land held for development, including land in the course of development, is initially recorded at its discounted cost. Where, through deferred purchase credit terms, the discounted value differs from the amount that will ultimately be paid in settling the liability, this difference is charged as a finance cost in the profit and loss account over the period of settlement. Due to the scale of the Company's developments, the Company has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete on such developments. In making these assessments there is a degree of inherent uncertainty. The Company has developed internal controls to assess and review carrying values and appropriateness of estimates made (see note 2).

Properties held for sale are stated at the lower of cost and net realisable value.

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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.8 Financial instruments**

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire.

***Debtors***

Trade and other debtors are financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets and are measured at amortised cost less an allowance for any uncollectable amounts.

***Impairment of financial assets***

Trade and other receivables are assessed for indicators of impairment at each year end date and are impaired where there is objective evidence that the recovery of the receivable is in doubt.

Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Comprehensive Income.

For secured loans, a significant or prolonged decline in the value of the property underpinning the value of the loan or increased risk of default are considered to be objective evidence of impairment. Increases in the fair value of secured loans previously subject to impairment, which can be objectively related to an event occurring after recognition of the impairment loss, are recognised in the Statement of Comprehensive Income to the extent that they reverse the impairment loss.

***Cash and cash equivalents***

Cash and cash equivalents include cash in hand and balances in bank accounts with no notice or less than three months' notice from inception and are subject to an insignificant risk of changes in value.

***Creditors***

Trade and other payables on normal terms are not interest bearing and are stated at amortised cost.

Trade and other payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the 'effective interest rate' method.

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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.8 Financial instruments (continued)**

***Bank borrowings***

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Where bank agreements include a legal right of offset for in hand and overdraft balances, and the Company intends to settle the net outstanding position, the offset arrangements are applied to record the net position in the Statement of Financial Position.

***Finance income and charges***

Finance income and charges are accounted for using the 'effective interest rate' method in the Statement of Comprehensive Income. Finance costs and income are recognised as a charge or income in the Statement of Comprehensive Income in the period to which they relate.

**1.9 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**1.10 Provision for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. ACCOUNTING POLICIES (CONTINUED)**

**1.11 Current and deferred taxation**

UK Corporation tax is provided on taxable profits at the current effective rate based on tax laws enacted or substantively enacted at 30 June 2022.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the year end date.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates enacted or substantively enacted at the year end date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis.



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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In accordance with the requirements of FRS 102, the Company has detailed below the critical accounting judgements made and the key sources of estimation uncertainty within these financial statements.

In the process of applying the Company's accounting policies, which are described in the accounting policies note, the Directors have made no individual judgements that have a significant impact upon the Financial Statements, apart from those involving estimations. The key assumptions concerning the future, and other key sources of estimation uncertainty at the financial statement dates, are discussed below.

**Estimation of future income and costs to complete**

In order to determine the profit that the Company is able to recognise on its developments in a specific period, the Company allocates site-wide development costs between homes built in the current year and in future years. It also has to estimate costs to complete on such developments and make estimates relating to future sales price margins on those developments and homes. In making these assessments there is a degree of inherent uncertainty.

The Group's site valuation process determines the forecast profit margin for each site. The valuation process acts as a method of allocating land costs and construction work in progress costs of a development to each individual plot and drives the recognition of costs in the Income Statement as each plot is sold. Any changes in the forecast profit margin of a site from changes in sales prices or costs to complete is recognised across all homes sold in both the current period and future periods. This ensures that the forecast site margin achieved on each individual home is equal across the development.

Management have performed a sensitivity analysis to assess the impact of a change in estimated costs for developments on which sales were recognised in the year. A 9% increase in estimated costs recognised in the year, which is considered to be reasonably possible, would impact cost of sales and work in progress and would reduce the Company's gross margin by 9.7ppts.

**Valuation of land creditors**

Land held for development and any associated land creditor is initially recorded at discounted cost. In certain cases, the final amount payable for certain land acquired by the Company includes contingent consideration that is dependent on future valuations of the land to be agreed between the Company and the vendor. The final cost of the land and value of the associated land creditor is estimated based on an assessment of the value of the land under market conditions at the reporting date, requiring an assessment of future house sale prices and build costs. In making these assessments, there is a degree of inherent uncertainty. Subsequent changes in market conditions may result in a change in the cost of this land.

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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**3. ANALYSIS OF TURNOVER**

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Sale of residential property	25,712	25,101
Sale of affordable property	5,131	3,069
	30,843	28,170

All turnover arose within the United Kingdom.

**4. OTHER OPERATING INCOME**

	2022 £000	2021 £000
Sundry income	29	96
	29	96

Sundry income comprises rental income of £29,000 (2021: £96,000).

**5. OPERATING (LOSS)/PROFIT**

Fees payable to the Company's auditor, Deloitte LLP, for the audit of the Company's annual financial statements were borne by another Group company and amounted to £38,000 in the current year (2021 - £36,000). No other fees were payable to the Company's auditor in 2022 or 2021.

During the year, no Director received any emoluments from the Company (2021 - £nil) (see note 7).

**6. EMPLOYEE INFORMATION**

The Company had no employees in the year ended 30 June 2022 (2021 - none). Group employees working for the sites owned by the Company, and those involved in the administration of these sites have contracts of service with BDW Trading Limited, a fellow subsidiary company in the Barratt Developments PLC Group of companies. The costs in respect of these employees have been recharged to the Company by other Group companies.

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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**7. DIRECTORS' REMUNERATION**

S J Boyes, D F Thomas and M I Scott are or were also Directors of the holding company, Barratt Developments PLC. Details of their remuneration are disclosed in the Annual Report of that company. These Directors received total emoluments of £4,615,000 (2021 - £4,901,000) during the year, but it is not practicable to allocate this between their services as executives of Group companies and their services as Directors of subsidiaries of Barratt Developments PLC. In addition, no Directors (2021 - none) received contributions to pension schemes.

No Directors received any emoluments from the Company during the year (2021 - none).

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from Group undertakings	<b>1,323</b>	<b>1,430</b>
	<hr/> <b>1,323</b> <hr/>	<hr/> <b>1,430</b> <hr/>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Other interest payable	<b>5</b>	<b>5</b>
Imputed interest on land payables	<b>151</b>	<b>351</b>
	<hr/> <b>156</b> <hr/>	<hr/> <b>356</b> <hr/>

**DAVID WILSON HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on loss/profits for the year	(375)	722
Adjustments in relation of prior years	(2)	6
	<u>(377)</u>	<u>728</u>
<b>Total current tax</b>	<u>(377)</u>	<u>728</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss/profit</b>	<u>(377)</u>	<u>728</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2021 - *higher than*) the standard rate, including residential property developer tax ('RPDT'), of corporation tax in the UK of 20.0% (2021 - 19.0%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit before tax	<u>(1,789)</u>	<u>3,824</u>
(Loss)/profit before tax multiplied by standard rate of corporation tax, including RPDT in the UK of 20.0% (2021 - 19.0%)	(375)	727
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior years	(2)	6
Additional tax relief for land remediation costs	-	(5)
<b>Total tax (credit)/charge for the year</b>	<u>(377)</u>	<u>728</u>

**DAVID WILSON HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. TAXATION (CONTINUED)**

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

An increase in the corporation tax rate was announced in the Budget held on 3 March 2021 to the effect that from 1 April 2023 corporation tax will be calculated at 25% of profits to the extent that they exceed the small company threshold.

There is no unrecognised deferred tax asset or liability in either year.

**11. DIVIDENDS**

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Final dividend for the year ended 30 June 2021 paid in the current year at £12.00 (2020 - £nil) per share	<b>12,020</b>	-
	<b>12,020</b>	-

No final dividend was proposed at the year end (2021 - £12.00).

**12. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery £000</b>
<b>Cost</b>	
At 1 July 2021	<b>696</b>
<b>At 30 June 2022</b>	<b>696</b>
<b>Depreciation</b>	
At 1 July 2021	<b>696</b>
<b>At 30 June 2022</b>	<b>696</b>
<b>At 30 June 2022</b>	-
<i>At 30 June 2021</i>	-
At 30 June 2022 there was £nil (2021 - £nil) of future capital expenditure contracted.	

DAVID WILSON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 July 2021	45,908
At 30 June 2022	45,908
<b>Impairment</b>	
At 1 July 2021	45,810
At 30 June 2022	45,810
<b>Net book value</b>	
At 30 June 2022	98
At 30 June 2021	98

In the opinion of the Directors, the value of the investments is not less than their book value.

A full list of the Company's subsidiary undertakings is included in note 20.

DAVID WILSON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

14. STOCKS

	2022 £000	2021 £000
Land and work in progress	45,603	59,889
Finished goods and goods for resale	2,651	235
	<u>48,254</u>	<u>60,124</u>

**Carrying value of land and work in progress**

The Company's principal activity is housebuilding. The majority of the development activity is not contracted prior to the development commencing. Accordingly, the Company has in its Statement of Financial Position at 30 June 2022 current assets that are not covered by a forward sale. Internal controls are designed to identify any developments where the value of land and work in progress in the Statement of Financial Position is more than the lower of cost or net realisable value.

Where the estimated net realisable value of a site was less than its current carrying value within the Statement of Financial Position, the Company has impaired the land and work in progress value. During the year, there were gross impairment charges of £nil (2021 - £nil) and reversals of £nil (2021 - £nil) of the Company's stock.

The key estimates required to determine are realisable value of a site, forecast sales rates, expected sales prices and estimated costs to complete. The estimation of future sales prices and costs to complete included no net inflation. If the UK housing market were to change beyond management expectations in the future, in particular with regards to the assumptions around sales prices and estimated costs to complete, adjustments to the carrying value of land and work in progress may be required.

Stock recognised in cost of sales during the year as an expense was £26,097,000 (2021 - £21,684,000).

The Directors consider all stocks to be essentially current in nature although the Company's operational cycle is such that a proportion of stocks will not be realised within twelve months. It is not possible to determine with accuracy when specific stocks will be realised as this will be subject to a number of issues such as consumer demand and planning permission delays.

**DAVID WILSON HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**15. DEBTORS**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>Due after more than one year</b>		
Deferred tax asset (see note 17)	5	5
	<u>5</u>	<u>5</u>
	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>Due within one year</b>		
Trade debtors	351	225
Amounts owed by Group undertakings	21,868	39,236
Corporation tax recoverable	805	-
	<u>23,024</u>	<u>39,461</u>

Amounts owed by Group undertakings are unsecured and repayable on demand. A market rate of interest has been charged on intercompany loans of 4.0%.

**16. CREDITORS: Amounts falling due within one year**

	<b>2022</b>	<i>As restated*</i> <i>2021</i>
	<b>£000</b>	<i>£000</i>
Payments received on account	92	835
Trade creditors	4,647	14,925
Amounts owed to Group undertakings	72	72
Corporation tax	-	291
Accruals	6,381	8,863
	<u>11,192</u>	<u>24,986</u>

\* Costs in relation to completed developments, previously included within accruals, have been reclassified as provisions as described in note 1.1 to the Financial Statements. The prior year balance for accruals (previously £3,190,000) has been re-presented to ensure comparability.

Amounts owed to Group undertakings are unsecured, and have no fixed date of repayment. Interest is payable on intercompany funding balances at a market rate, currently 4%.

Trade creditors comprise of land payables.



**DAVID WILSON HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**17. DEFERRED TAXATION**

	2022 £000	2021 £000
At 1 July	5	5
At 30 June	<u>5</u>	<u>5</u>

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	5	5
	<u>5</u>	<u>5</u>

Of the year end deferred tax asset £1,000 is expected to reverse within 1 year and the balance after 1 year.

**18. PROVISIONS**

	2022 £000
At 1 July 2021	3,190
Charged to profit or loss	756
Charged to other comprehensive income	(268)
Utilised in year	(1,488)
At 30 June 2022	<u>2,190</u>

\* Costs in relation to completed developments, previously included within accruals, have been reclassified as provisions as described in note 1.1 to the Financial Statements. The prior year balance for provisions has been re-presented to ensure comparability.

The provisions at 30 June 2022 comprise provision for site completion work £2,190,000, in respect of which a cash outflow of £2,190,000 is expected during the next 5 years.

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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**19. CALLED UP SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
1,001,636 ordinary shares of £1 each	<b>1,002</b>	<b>1,002</b>

**20. CONTINGENT LIABILITIES**

David Wilson Homes Limited has guaranteed payments of loans made to the holding company and fellow subsidiary undertakings. At 30 June 2022, £200,000,000 (2021 - £200,000,000) was outstanding under these loans and overdrafts.

In the normal course of business, the Company enters into conditional contracts for the purchase of land. In certain of these arrangements, overage clauses can result in the Company paying additional amounts which may be dependent on the actions of other parties to the contract. Until such time as these conditions are fulfilled, the Company has no obligation and therefore no liability is recognised on the balance sheet in respect of these potential costs. Should the conditions become satisfied, a trade creditor will be recognised and the agreed cost held as a land cost on the balance sheet. The Company currently estimates the amounts that could become payable in the future under these contracts to be around £16m, based on valuations commissioned by the Company. This is subject to continued negotiation and the judgements detailed in note 2.

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**DAVID WILSON HOMES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**21. SUBSIDIARY UNDERTAKINGS**

The entities listed below are subsidiaries of the Company. All are incorporated in the UK and registered in England and Wales. The registered office of all the Company's subsidiaries is Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Bradgate Development Services Limited	Ordinary	100 %
Cameoplot Limited	Ordinary	100 %
CHOQS 429 Limited	Ordinary	100 %
David Wilson Estates Limited	Ordinary	100 %
David Wilson Homes (Anglia) Limited	Ordinary	99 %
David Wilson Homes (East Midlands) Limited	Ordinary	100 %
David Wilson Homes (Home Counties) Limited	Ordinary	100 %
David Wilson Homes Land (No. 15) Limited	Ordinary	100 %
David Wilson Homes (Northern) Limited	Ordinary	100 %
David Wilson Homes (North Midlands) Limited	Ordinary	100 %
David Wilson Homes Services Limited	Ordinary	100 %
David Wilson Homes (Southern) Limited	Ordinary	100 %
David Wilson Homes (South Midlands) Limited	Ordinary	100 %
David Wilson Homes (Western) Limited	Ordinary	100 %
David Wilson Homes Yorkshire Limited	Ordinary	100 %
Foxcote Mead Management Company Limited	Ordinary	100 %
Frenchay Developments Limited	Ordinary	100 %
Heartland Development Company Limited	Ordinary	100 %
J G Parker Limited	Ordinary	100 %
North West Land Developments Limited *	Ordinary	100 %
Roland Bardsley Homes Limited	Ordinary	100 %
Stoneyfield Management Limited	Ordinary	100 %
The French House Limited	Ordinary	100 %
Trencherwood Developments Limited	Ordinary	100 %
William Corah Joinery Limited	Ordinary	100 %
William Corah & Son Limited	Ordinary	100 %

\* Owned through another Group company.

<b>DAVID WILSON HOMES LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**22. CONTROLLING PARTY**

The Directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company and controlling party. Barratt Developments PLC is the parent of the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2022. The consolidated financial statements of Barratt Developments PLC are available from its registered office at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF, or its website at [www.barrattddevelopments.co.uk](http://www.barrattddevelopments.co.uk).

The immediate parent company is Wilson Bowden Limited a company registered in England and Wales, with its registered office at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.