Registered number: 00830271

DAVID WILSON HOMES LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2018

COMPANY INFORMATION

DIRECTORS	S J Boyes D F Thomas J E White (appointed 5 February 2018)
COMPANY SECRETARY	Barratt Corporate Secretarial Services Limited
REGISTERED NUMBER	00830271
REGISTERED OFFICE	Barratt House, Cartwright Way, Forest Business Park Bardon Hill Coalville Leicestershire LE67 1UF
INDEPENDENT AUDITOR	Deloitte LLP Statutory Auditor London UK

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

INTRODUCTION

The Company has continued to trade successfully as a member of the Barratt Developments PLC group of companies (the "Group"), delivering housing completions from 6 sites (2017: 11 sites) in England during the year.

KEY PERFORMANCE INDICATORS

Key performance indicator	**2018**	**2017**	***Movement***	**Discussed in the section entitled**
Operational				
Residential completion numbers	**521**	**471**	*11%*	'Housebuilding'
Average selling price Residential turnover divided by the number of completions	**£275,400**	**£245,200**	*12%*	'Housebuilding'
Land bank plots Number of residential plots owned and controlled	**965**	**1,532**	*(37)%*	'Land'
Customer satisfaction levels The percentage of the Group housebuilding customers surveyed who would 'recommend us to a friend'	**HBF 5* Over 90%**	**HBF 5* Over 90%**	*N/A*	'Customer first'
Financial				
Turnover (£'000)	**143,470**	**115,480**	*24%*	'Housebuilding'
Operating profit (£'000)	**24,492**	**24,915**	*(2)%*	'Housebuilding'
Profit before tax (£'000)	**26,285**	**28,147**	*(7)%*	'Housebuilding'

BUSINESS REVIEW

Housebuilding

Completions increased by 11% to 521 (2017 - 471) mainly due to the stage of development of the Company's sites. 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 £143.5m (2017 - £115.5m) an increase of 24%, mainly resulting from the increase in housebuilding completions and an increase in average selling price. Of the housebuilding completions, 366 (2017 - 364) were private and 155 (2017 - 107) were affordable. Affordable housing completions represented 30% (2017 - 23%) of completions in the year.

The average selling price increased by 12% to £275,400 (2017 - £245,200). This reflects a change in the mix of homes sold including an increase in underlying house price inflation.

Help to Buy (Equity Loan) has continued to provide a very attractive opportunity for our customers, especially for first time buyers. During the year 36% (2017 - 42%) of our total completions used the scheme.

The Company operating margin was 17% (2017 - 22%), and the profit before tax was £26.3m (2017 - £28.2m).

The homes we build

The Company operates using the David Wilson Homes brand and during the year completed sales from 6 sites in Central and Southern England (2017 - 11 sites).

The Company currently offers private and affordable homes at an average selling price of £275,400 (2017 - £245,200).

Land

At 30 June 2018, the Company had 965 (2017 - 1,532) owned and controlled plots, representing approximately 1.9 (2017 - 3.3) years of land usage at the current rate of consumption. Movement in the number of owned and controlled plots is the result of completions during the year and site replans. Current forecasts indicate that these plots will be constructed and sold during the next 5 years.

During the year, due to changes to viability on individual sites, there were gross impairment charges of £1.1m (2017 - £0.7m) and reversals of £nil (2017 - £nil) of the Company's stock. The Company's land and work in progress has a carrying-value of £112.1m (2017 - £167.2m).

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 building excellence by leading construction.

Customer first

Strategic priority
The quality of the Group's homes and high levels of service are key to the Group's ongoing success. The Group seeks to anticipate customers' evolving needs by continuously improving the homes and places they build.

Key Group highlights
- Only major national housebuilder to be awarded the maximum HBF 5 Star status for nine consecutive years
- Continued investment in our customer journey
- Further investment in customer service training across the business.

Key performance indicator
- HBF 5 Star homebuilder

The Challenge
Britain needs more homes to address its housing shortage. There is continued demand in the market, good mortgage availability and an under supply of new homes. Whilst the industry needs to increase volumes, it must maintain customer service and build quality whilst addressing industry wide skills challenges.

Understanding our customers
The Group places customers at the heart of everything they do and the first stage of this is to get detailed understanding of their requirements. To support this, the Group has developed a rigorous programme of research to gather insight at every stage of the customer's journey. This provides insight into our marketing, sales, customer service, product design and development layouts. The Group is committed to acting on customers' feedback to drive improvements and inform decision making, to ensure the Group is responding to customer needs and positioning the business going forward.

Customer satisfaction
Customer satisfaction is a key performance indicator for the Group. It is embedded from site through to divisional and Group performance and is reviewed weekly at all levels. The Group's focus on high levels of service is not only positive for our customers, it provides earnings sustainability, reduces the cost of customer after-sales care and ensures that excellent operational processes are in place. All of the Group's teams are responsible for delivering customer satisfaction and the Group operates a Customer Service Academy comprising both classroom and online training to ensure that the Group's employees understand how to deliver 'right first time', every time.

In 2018, the Group achieved the maximum HBF 5 Star homebuilder award for the ninth consecutive year which means that over 90% of the Group's customers would recommend us to friends and family. The Group is focused on not only maintaining this award for the 10th consecutive year in 2019, but continues to drive further improvements through the business by developing automated, streamlined processes and refining quality control inspections.

Building excellence by leading construction

Strategic priority
The Group deliver the highest quality homes by focusing on excellence across all aspects of construction. The Group are embracing the best new methods of onsite and offsite construction to increase build efficiency.

Key Group highlights
• Focused on a 'right first time' approach to drive operating efficiency

Key performance indicator
• Total completions 521 (2017 - 471)

Delivering high quality homes
The Group puts customer satisfaction at the heart of our construction processes with a focus on getting it right first time, which also drives operating efficiencies in the build process. The Group needs to increase build efficiency while maintaining safety and quality standards and responding to skills shortages.

Our principles in action

The Company operates as part of the Group and as such its principles are the same as those of the Group.

Keeping people safe

Key Group highlights
• The Group achieved target health and safety compliance rate
• Group Reportable Injury Incidence rate increased to 462 (2017 - 379) per 100,000 employees including sub-contactors

Key performance indicators
• Group Health and Safety compliance rate 96% (2017 - 96%)

The Challenge and our response
Increased activity levels across the industry in terms of site openings and production volumes combined with shortages of skilled workers has contributed to an increased risk on our sites. The Group maintains stringent standards and has a continuous focus on health and safety with all areas and levels of the business focusing upon it as their number one priority. Getting the basics right, good leadership, and having commitment from all levels of management is what delivers good health and safety performance for the Group. The Group's aim is to have a healthy and injury-free workplace. The Group believes all injuries are avoidable and while the Group recognises that entirely eradicating risk is a challenge, the Group is determined to improve performance and reduce the number of injuries occurring in the working environment.

The Group's Safety, Health and Environmental management system ('SHE') is compliant to the international standard OHSAS 18001 and the Group will be working towards compliance to the upgraded standard ISO 45001. The system is regularly reviewed and is subject to a full review and update this year. The Group complements the management system by issuing regular bulletins advising the Group's teams on controls required for specific issues that arise within the business.

The Group has continued with its strategy to improve focus on occupational health including awareness campaigns linked to the well-being of our workforce. Information has been provided on occupational health issues, mental well-being and raising awareness of general health issues that could affect the Group's workforce. The Group has also enhanced its drug and alcohol policy and commenced a programme of random sampling across the business.

The Group were honoured to be awarded Organisation of the Year at the St John's Ambulance Everyday Hero awards. This reflected the deployment of defibrillators on all sites and the Group's 'exceptional' commitment to first aid training. Whilst the Group's drive is to have robust policies and procedures in place to prevent injury and ill health, at the same time the award reflects the Group's commitment to ensure that in the event of an emergency our employees are trained and have the resources to deal with an incident.

Compliance to the Group's SHE management system is verified by a programme of site monitoring and internal and external audits. During the year, the Group carried out 6,895 (2017 - 6,990) monitoring visits and achieved an average compliance rate of 96% (2017 - 96%). The Group's overall aim is to have an injury free working environment, and the Group's objective for the year was to have an improvement in the reportable Injury Incidence Rate ('IIR'). During the year, the Group's IIR increased to 462 (2017 - 379) per 100,000 persons employed (including sub-contractors). The Group has already undertaken a review into factors that have contributed to this increase and will be working with management teams to drive improvements in the prevention of injuries. The Group's aim is to achieve a reduction to a rate which is more reflective of the Group's commitment to health and safety.

Building strong community relationships

Key Group highlights
- The Group contributed £2.7bn of Gross Value Added to the UK economic output
- The Group supported 45,080 jobs in FY18

The challenge and our response
We don't just build homes, we create communities. Wherever the Group has a development, we put down roots, building from the bottom up. Without local identity and supporting infrastructure, developments are just houses as opposed to homes. This is why the Group puts so much time and investment in building strong community relationships. This year the Group provided 1,800 school places and handed over 34 local facilities to communities including sports and leisure, health and community centres.

The Group provided some £2.7bn of Gross Value Added to the UK's economic output and supported 45,080 jobs this year.

Another important aspect of building communities is incorporating the history of a development wherever possible. The history of a place is part of the character and interest which makes it unique. By retaining and refurbishing heritage buildings, through to celebrating archaeological findings, the Group aims to preserve and enhance communities.

The Group puts great emphasis on working closely with young children and schools as they play such a big part in any community. The Group goes out to schools to teach children about health and safety, construction and sustainability, and tries to involve them in Group developments wherever possible.

Safeguarding the environment

Key Group highlights
- 14% Group reduction in carbon intensity, 21% Group reduction since FY15
- All of the Group's divisions (with the exception of the new Cambridge division) have upgraded to environmental management standard ISO 14001:2015

The challenge and our response
Meeting the demand for new homes puts certain pressure on Britain's land resources and the natural environment it supports, while increased production demands greater input of raw materials and energy, with the risk of increasing carbon emissions at all stages of housebuilding. The Group is committed to protecting and enhancing biodiversity as part of its activities, driving energy efficiency and carbon reduction and supporting customers and its supply chain to do the same.

As the demand for new housing increases, the Group recognises the need for its business to become more resource and energy efficient and to produce less waste and generate fewer carbon emissions. All of the Group's divisions (with the exception of the new Cambridge division) are certified to ISO 14001, the environmental management standard, and have upgraded their certifications to the 2015 standard this year.

Being energy efficient and reducing emission
The Group has achieved its carbon reduction target as a result of direct and indirect operational greenhouse gas emissions, demonstrating a 14% reduction in carbon intensity since last year and 21% since the Group's baseline year FY15. The Group holds an industry leading A-score in CDP climate disclosure for 2017. The Group's total absolute carbon emissions have reduced by 11% since 2015 as a result of both energy efficiency and de-carbonisation of the UK energy grid.

The Group has focused on getting the basics right and improving energy efficiency of offices, plant and equipment, building on work the Group has already done to upgrade the specification of site cabins, and show home decorative lighting as part of the standardisation of site compound layouts. The Group has seen energy efficiency on site improve by 13% since last year.

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 of which the principal risks are identified in the table below.

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	**Economic environment, including housing demand and mortgage availability**
Risk description	Changes in the UK and European macroeconomic environments, including but not limited to, flat or negative economic growth, inflation, interest rates, buyer confidence, mortgage availability, Government backed schemes, competitor pricing, falls in house prices or land values.
Relevance to our strategy	The majority of our customers require mortgages to purchase their new home. Buyer confidence, the availability of mortgages and mortgage interest rates are affected by the economic environment. Changes in the economic environment, including the impact of the Brexit vote and any change or removal of the Government's Help to Buy scheme, may lead to falling demand or lower prices achieved for homes, which in turn would affect our profitability and lead to impairments of the Company's inventories.
KPIs	Turnover, Operating profit, Total completions.
Mitigation	> Group Board, Executive Committee, regional and divisional management reviews > Quarterly site valuations > Comprehensive sales policies and regular review of pricing, local markets and developing good working relationships with mortgage lenders > Maintenance of an appropriate capital structure and Balance Sheet control
Risk profile	High
Change in risk profile from previous year	No change
Likelihood of change during the year	No change
Impact of change during the year	No change
Commentary	Sales rates and markets for the Group and Company have remained stable over the last year. The economic environment continues to be characterised by low interest rates and good mortgage availability. The UK economic outlook is positive but there is medium term uncertainty due to the Brexit vote.

Risk	**Availability of finance and working capital**	**Government regulation and planning policy**
Risk description	The Company is dependent upon the Group to fund its working capital. Unavailability of sufficient Group borrowing facilities and the inability to refinance facilities as they fall due, obtain surety bonds, or comply with borrowing covenants.	Changing complex regulatory environment which affects planning, technical requirements.
Relevance to our strategy	Availability of sufficient committed and surety facilities ensures that the Group can manage changes in the economic environment. Reduced borrowing facilities and/or working capital would affect the Group's and Company's ability to service liabilities.	Changes to the regulatory environment would affect our ability to achieve our volume targets and ability to trade profitably.
KPIs		Turnover, Operating profit, Total completions.
Mitigation	The Group has: > Committed bank facilities and private placement notes of £900.0m with maturity on the RCF in 2022, (extended on 22 November to 2023) and the private placement notes in 2027 > Regular forecasts of working capital and cash requirements and compliance with banking covenants > Policy requiring minimum headroom of £150.0m of drawings against committed facilities > Maintenance of an appropriate capital structure and Balance Sheet control	Development is carried out by the Company's parent, BDW Trading Limited. The Group has: > Considerable in-house technical and planning expertise focused on complying with regulations > Robust and rigorous design standards for the homes and places we develop > Policies and technical guidance manuals for employees on regulatory compliance and the standards of business conduct expected > Consultation with Government agencies, membership of industry groups to help understand and monitor proposed regulation changes
Risk profile	Low	Medium
Change in risk profile from previous year	No change	No change
Likelihood of change during the year	No change	No change
Impact of change during the year	No change	No change
Commentary	In August 2017, the Group entered into a new fixed rate £200.0m US private placement. In December 2017, the Group extended its £700.0m RCF. The Group has £791.3m of net cash and net assets of £4,597.7m as at 30 June 2018.	There are a number of regulatory changes proposed which may impact how we design and deliver the Company's developments.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

Risk	**Safety, health and environmental**	**IT**
Risk description	Health and safety or environmental breaches can result in incidents affecting Group employees, sub-contractors and site visitors.	Failure of any of the Group's IT systems in particular those relating to customer information, surveying and valuation. The Group or Company could suffer significant financial and reputational damage due to the loss, theft or corruption of data either inadvertently or via a targeted cyber-attack.
Relevance to our strategy	The Group continues to prioritise and focus upon health and safety to seek to reduce injury rates and manage the risks inherent in the construction process. Health and safety or environmental breaches could cause potential reputational damage, criminal prosecution and civil litigation, delays in construction or increased costs.	The Group continues to improve integration of IT systems to enhance business control and drive efficiency. Failures of any of the Group's IT systems could adversely impact the performance of the Group and Company.
KPIs		Customer satisfaction, Turnover, Operating profit
Mitigation	The Group has: > Internally resourced health and safety team > Regular health and safety monitoring by our in-house team, internal and external audits of all operational units > Continual reinforcement of Group health and safety and environmental policies and procedures > Dedicated SHE Board and Operations Committees which review key performance indicators, improvement plans and reinforce the importance of health, safety and environmental compliance > Quarterly performance reviews by divisional management within all operating units > Regular Senior Management reviews of developments > Independent reviews of our SHE processes	The Group has: > Centrally maintained IT systems > Fully-tested disaster recovery programme > Regular reviews to seek to reduce the risk of successful cyber-attacks > We have implemented a series of measures to make our business processes and data management GDPR compliant. There is an ongoing review and governance approach to assess our risks and implement mitigating actions > Group wide policies on passwords and transferring data to third parties
Risk profile	Medium	Medium
Change in risk profile from previous year	No change	No change
Likelihood of change during the year	No change	Increase
Impact of change during the year	No change	No change
Commentary	The Group continues to focus on Health and Safety including ensuring consistent controls are in place to reduce accidents and injuries. The Group SHE internal audit score has remained in line with the previous year.	The threat of external cyber-attacks continues to increase with a number of high profile incidents in the last year.

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: credit risk, liquidity risk, interest rates and the availability of funding at reasonable margins. There is a regular, detailed system for the reporting and forecasting of cash flows from the operations to Group management to ensure that liquidity risks are promptly identified and appropriate mitigating actions 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, in particular by using financial instruments, including debt and derivatives, to hedge interest rates and currency rates. The Group does not use derivative financial instruments for speculative purposes.

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 and May; and October and November of each year, due to seasonal trends in income. Accordingly, the Group maintains sufficient facility headroom to cover these requirements. On a normal operating basis, the Group has a policy of maintaining headroom of up to £150.0m. The Group identifies and takes appropriate actions based upon its regular, detailed system for the reporting and forecasting of cash flows from its operations. The Group's drawn debt, excluding fees, represented 22.2% (2017 - 11.3%) of available committed facilities at 30 June 2018. In addition, the Group had £982.4m (2017 - £784.4m) of cash and cash equivalents.

The Group was in compliance with its financial covenants at 30 June 2018. At the date of approval of the 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 2018, the average maturity of the Group's facilities was 5.5 years (2017 - 4.1 years).

b) Market risk (price risk)
Interest rate risk
The Company has interest bearing liabilities and the Group has 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 fixed using both derivatives and fixed rate debt instruments.

The Group's interest cover ratio is above 15 times and therefore the current policy is to hedge a proportion of the forecast RCF drawings based on the Group's three year plan. Under this policy, no interest rate hedges are currently required.

Floating interest rates on sterling borrowings are linked to the UK bank rate, LIBOR 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 weighted average interest rate for floating rate borrowings in 2018 was 1.6% (2017 - 3.7%).

Sterling US private placement notes of £200.0m (2017 - £nil) 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. At 30 June 2017 the Group had US Dollar denominated private placement notes of £61.6m, arranged at fixed interest rates which exposed the Group to fair value interest rate risk. The weighted average interest rate for fixed rate US Dollar denominated private placement notes, after the effect of foreign exchange rate swaps, for 2017 was 8.2% with, at 30 June 2017, a weighted average period of 0.2 years for which the rate is fixed.

Sensitivity analysis
In the year ended 30 June 2018, if UK interest rates had been 0.5% higher/lower (considered to be a reasonable possible change) and all other variables were held constant, the Company's pre-tax profit would increase/decrease by £0.3m (2017 - £0.3m), the Company's post-tax profit would increase/decrease by £0.2m (2017 - £0.2m) and the Company's equity would increase/decrease by £0.2m (2017 - £0.2m).

c) 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 6 to 8. In addition, the other methods by which the Group can manage its short-term and long-term capital structure include adjusting the level of ordinary dividends paid to shareholders, issuing new share capital, arranging debt to meet liability payments and selling assets to reduce debt.

This report was approved by the Board on 14 December 2018 and signed on its behalf.

JE White

J E White
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their annual report and the audited financial statements for the year ended 30 June 2018.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £21,308,000 *(2017 - £22,572,000).*

A final dividend in respect of year ended 30 June 2017 was paid during the year at £59.90 (2017 - £nil) per share totalling £60.0m (2017 - £nil). The Directors propose that a final dividend of £19.97 (2017 - £59.90) per share is paid for the year ended 30 June 2018 amounting to £20.0m (2017 - £60.0m).

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 2018 the Company had net assets of £143.3m. The financial position of the Company is dependent upon the performance of the Group (Barratt Developments PLC and its subsidiary undertakings, the 'Group').

The financial performance of the Group is dependent upon the wider economic environment in which the Group operates. Factors that particularly affect the performance of the Group include changes in the macroeconomic environment including buyer confidence, availability of mortgage finance for the Group's customers and interest rates.

At 30 June 2018 the Group has total committed bank facilities and private placement notes of £900.0m. The final maturity dates of these facilities range from December 2022 to August 2027, with the £700.0m revolving credit facility maturing in December 2022 (extended on 22 November 2018 to November 2023) and the sterling US private placement notes maturing in August 2027. The committed facilities and private placement notes provide appropriate headroom above current forecast debt requirements.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, 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 the preparation of these financial statements.

DIRECTORS

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

S J Boyes
D F Thomas
J E White (appointed 5 February 2018)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

OUTLOOK

Market conditions remained supportive for the Group, with attractive mortgage financing and the support of Help to Buy driving strong consumer demand.

The Group's focus remains on improving operating margin, maintaining an appropriate capital structure and delivering the Group's capital return plan. Significant progress has been made during the year and further good progress is expected in the year ending 30 June 2019.

The Company intends to fully develop and sell homes on its existing land and future land purchases in this Company are likely to be limited.

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 principal activity, detailed business review and information relating to its risks and priorities going forward are included within the Strategic Report.

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

On 22 November 2018, the Group's £700m RCF, which is guaranteed by the Company, was amended and the maturity was extended to November 2023.

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 on 14 December 2018 and signed on its behalf.

JE White

J E White
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

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.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its profit 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 of David Wilson Homes Limited (the 'Company') which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 24.

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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

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

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

We have nothing to report in respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' 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 Directors' report.

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

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.

James Wright FCA (Senior statutory auditor)
for and on behalf of
Deloitte LLP

Statutory Auditor

London
UK

14 December 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £000	*2017* *£000*
Turnover	3	**143,470**	*115,480*
Cost of sales		**(117,417)**	*(89,187)*
Gross profit		**26,053**	*26,293*
Administrative expenses		**(1,582)**	*(1,602)*
Other operating income	4	**21**	*224*
Operating profit	5	**24,492**	*24,915*
Interest receivable and similar income	8	**2,293**	*3,757*
Interest payable and similar charges	9	**(500)**	*(525)*
Profit before tax		**26,285**	*28,147*
Tax on profit	10	**(4,977)**	*(5,575)*
Profit for the financial year being total comprehensive income		**21,308**	*22,572*

There was no other comprehensive income for 2018 (2017 - £nil).

The notes on pages 20 to 35 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £000	2018 £000	*2017 £000*	*2017 £000*
Fixed assets					
Investments	13		**98**		*98*
			98		*98*
Current assets					
Stocks	14	**113,663**		*167,824*	
Debtors: amounts falling due after more than one year	15	**22**		*36*	
Debtors: amounts falling due within one year	15	**64,854**		*61,553*	
Cash at bank and in hand		**138**		*15*	
		178,677		*229,428*	
Creditors: amounts falling due within one year	16	**(24,569)**		*(32,756)*	
Net current assets			**154,108**		*196,672*
Total assets less current liabilities			**154,206**		*196,770*
Creditors: amounts falling due after more than one year	17		**(10,890)**		*(14,764)*
Net assets			**143,316**		*182,006*
Capital and reserves					
Called up share capital	19		**1,002**		*1,002*
Share premium account			**70**		*70*
Profit and loss account			**142,244**		*180,934*
Total capital and reserves			**143,316**		*182,006*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 December 2018.

J E White

J E White
Director

The notes on pages 20 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2017	1,002	70	180,934	182,006
Comprehensive income for the year				
Profit for the year	-	-	21,308	21,308
Total comprehensive income for the year	-	-	21,308	21,308
Dividends (note 11)	-	-	(59,998)	(59,998)
At 30 June 2018	1,002	70	142,244	143,316

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2016	1,002	70	158,362	159,434
Comprehensive income for the year				
Profit for the year	-	-	22,572	22,572
Total comprehensive income for the year	-	-	22,572	22,572
At 30 June 2017	1,002	70	180,934	182,006

The notes on pages 20 to 35 form part of these financial statements.

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 England and Wales. The address of its registered office is Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

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.

The following principal accounting policies have been applied:

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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 2018 and these financial statements may be obtained from 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. ACCOUNTING POLICIES (CONTINUED)

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 year

1.6 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

1.7 Investments

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

1.8 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" 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.

Secured loans
Secured loans are held at fair value calculated as the present value of expected future cash flows, taking into account the estimated market value of the property at the estimated time of repayment, and are classified as "fair value through profit and loss". Gains and losses arising from changes in fair value impairment losses, changes in future cash flows and interest calculated using the 'effective interest rate' method are recognised directly in the Statement of Comprehensive Income.

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Financial instruments (continued)

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.

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 are accounted for using the 'effective interest rate' method in the Statement of Comprehensive Income.

Finance income and costs are recognised in the Statement of Comprehensive Income in the period to which they relate.

1.10 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.

1.11 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 2018.

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.

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 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 its development and make estimates relating to future sales price margins and units. In making these assessments there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and the appropriateness of estimates made.

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 1% increase in estimated costs recognised in the year would reduce the Company's gross margin by 0.90ppts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

3. ANALYSIS OF TURNOVER

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

	2018 £000	*2017 £000*
Sale of residential property	143,470	*115,480*
	143,470	*115,480*

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2018 £000	*2017 £000*
Sundry income	21	*224*
	21	*224*

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £000	*2017 £000*
Auditor's remuneration - audit of the Company's financial statements	16	*15*

No other fees were payable to the Company's auditor in 2018 or 2017.

During the year, no Director received any emoluments (2017 - £nil) (see note 7).

6. EMPLOYEE INFORMATION

The Company had no employees in the year ended 30 June 2018 (2017 - 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.

7. DIRECTORS' REMUNERATION

S J Boyes, D F Thomas and J E White are 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 £4,555,000 (2017 - £3,790,000 including N Cooper until his resignation on 19 January 2017) 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 (2017 - none) are accruing benefits under the Barratt Developments PLC group pension scheme, which is a defined benefit pension scheme and none (2017 - none) received contributions to money purchase pension schemes.

No Directors received any emoluments from the Company during the year (2017 - none).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £000	*2017* *£000*
Interest receivable from Group undertakings	2,293	*3,757*
	2,293	*3,757*

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	*2017* *£000*
Other interest payable	1	*9*
Imputed interest on land payables	499	*516*
	500	*525*

10. TAXATION

	2018 £000	*2017 £000*
Corporation tax		
Current tax on profits for the year	**4,983**	*5,547*
Adjustments in relation of prior years	**(8)**	*26*
	4,975	*5,573*
Total current tax	**4,975**	*5,573*
Deferred tax		
Origination and reversal of timing differences	**2**	*2*
Total deferred tax	**2**	*2*
Taxation on profit	**4,977**	*5,575*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2017 - higher than)* the standard rate of corporation tax in the UK of 19.0% *(2017 - 19.75%)*. The differences are explained below:

	2018 £000	*2017 £000*
Profit before tax	**26,285**	*28,147*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.75%)	**4,994**	*5,559*
Effects of:		
Adjustments to tax charge in respect of prior years	**(8)**	*26*
Additional tax relief for land remediation costs	**(9)**	*(10)*
Total tax charge for the year	**4,977**	*5,575*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The main rate of corporation tax will reduce from 19% to 17% with effect from 1 April 2020.

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

11. DIVIDENDS

	2018 £000	*2017 £000*
Final paid at £59.90 (2017 - £nil) per share	**59,998**	-
	59,998	-

A final dividend of £19.97 per share will be paid in respect of the year ended 30 June 2018 amounting to £20.0m. This has not been included as a liability in these financial statements.

12. TANGIBLE FIXED ASSETS

	Plant and machinery £000
Cost or valuation	
At 1 July 2017	2,376
At 30 June 2018	**2,376**
Depreciation	
At 1 July 2017	2,376
At 30 June 2018	**2,376**
At 30 June 2018	**-**
At 30 June 2017	*-*

At 30 June 2018 there was £nil (2017 - £nil) of future capital expenditure contracted but not provided for.

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2017	**45,908**
At 30 June 2018	**45,908**
Impairment	
At 1 July 2017	**45,810**
At 30 June 2018	**45,810**
Net book value	
At 30 June 2018	**98**
At 30 June 2017	*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 23.

14. STOCKS

	2018 £000	*2017 £000*
Land and work in progress	112,100	*167,225*
Finished goods and goods for resale	1,563	*599*
	113,663	*167,824*

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 2018 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, due to changes to viability on individual sites, there were gross impairment charges of £1.1m (2017 - £0.7m) and reversals of £nil (2017 - £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 £110,044,000 (2017- £84,949,000).

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.

15. DEBTORS

	2018 £000	2017 £000
Due after more than one year		
Trade debtors - secured loans	**22**	*36*
	22	*36*

	2018 £000	2017 £000
Due within one year		
Trade debtors	**3,701**	*2,064*
Amounts owed by Group undertakings	**61,089**	*59,435*
Trade debtors - secured loans	**56**	*44*
Deferred tax asset (see note 18)	**8**	*10*
	64,854	*61,553*

The secured loans relate to deferred receivables from the sale of homes which are repayable upon the earlier of resale or at ten years from inception. They are secured by way of a second charge over the home and no interest is currently payable on them.

Amounts owed by Group undertakings are unsecured and have no fixed date of repayment. A market rate of interest has been charged on intercompany loans.

16. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Payments received on account	3,432	9,619
Land purchase (including deferred payments)	6,974	9,172
Corporation tax	4,553	5,117
Accruals and deferred income	9,610	8,848
	24,569	32,756

17. CREDITORS: Amounts falling due after more than one year

	2018 £000	2017 £000
Land purchase (including deferred payments)	10,890	14,764
	10,890	14,764

Land purchase creditors are unsecured and are payable between 1 and 5 years after the balance sheet date.

18. DEFERRED TAXATION

	2018 £000	2017 £000
At 1 July	10	12
Charged to the profit or loss	(2)	(2)
At 30 June	8	10

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	8	10
	8	10

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

19. CALLED UP SHARE CAPITAL

	2018 £000	*2017 £000*
Allotted, called up and fully paid		
1,001,636 ordinary shares of £1 each	**1,002**	*1,002*

20. COMMITMENTS UNDER OPERATING LEASES

The Company as a lessor

As at 30 June 2018, the Company had committed receivables due under operating leases in relation to land and buildings of £18,000 (2017 - £nil) of which £9,000 is due within 1 year and £9,000 is due between 2 and 5 years. Leases held at 30 June 2018 have an average life of 2 years.

21. CONTINGENT LIABILITIES

David Wilson Homes Limited has guaranteed payments of loans made to the holding company and fellow subsidiary undertakings. At 30 June 2018, £304,754,000 (2017 - £59,012,000) was outstanding under these loans and overdrafts.

The Company has entered into counter indemnities in the normal course of business in respect of performance bonds. In addition, the Company has commitments for the purchase of trading stock entered into in the normal course of business.

As previously disclosed, following correspondence with an industry wide final salary pension scheme, there is a risk of an obligation arising in respect of pension scheme funding pursuant to Section 75 of the Pensions Act 1995.

The Company received notification in January 2018 that no liability exists in respect of certain employees under the scheme, however previous correspondence received in November 2017 stated that the scheme actuary was not in a position to calculate any remaining section 75 debts due to the complexities of applying the relevant legislation to the scheme. In July 2018, the Trustees issued their consultation response confirming a proposed methodology for calculating the section 75 obligation and that debt notices would be issued by June 2019.

The Directors consider that whilst it is increasingly probable that a liability could result in the future; at present there remain uncertainties underlying any such calculation. Given the most recent communication with the Trustees a provision has been recognised, in another Group company, in relation to this matter as at 30 June 2018.

22. POST BALANCE SHEET EVENTS

On 22 November 2018, the Group's £700m RCF, which is guaranteed by the Company, was amended and the maturity was extended to November 2023.

23. SUBSIDIARY UNDERTAKINGS

The entities listed below are subsidiaries of the Company. All are incorporated 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.

Name	Class of shares	Holding
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.

24. 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 2018. 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.barrattdevelopments.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.