

Notes to the Financial Statements continued

Year ended 30 June 2023

9. Dividends

	2023 £m	2022 £m
<b>Amounts recognised as distributions to equity shareholders in the year:</b>		
Final dividend for the year ended 30 June 2022 of 25.7p (2021: 21.9p) per share	<b>259.8</b>	223.0
Interim dividend for the year ended 30 June 2023 of 10.2p (2022: 11.2p) per share	<b>100.2</b>	114.0
<b>Total dividends distributed to equity shareholders in the year</b>	<b>360.0</b>	337.0
	2023 £m	2022 £m
Proposed final dividend for the year ended 30 June 2023 of 23.5p (2022: 25.7p) per share <sup>1</sup>	<b>227.9</b>	261.4

<sup>1</sup> The cost of the proposed dividend is calculated based upon the number of shares ranking for dividend at the balance sheet date.

The final dividend of 23.5 pence per share was approved by the Board on 5 September 2023 and has not been included as a liability as at 30 June 2023.

10. Goodwill and intangible assets



Goodwill

Goodwill arising on consolidation (see note 32 for the Group policy on consolidation) represents the excess of the fair value of the consideration over the fair value of the separately identifiable net assets and liabilities acquired.

Goodwill arising on the acquisition of subsidiary undertakings and businesses is capitalised as an asset but reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination at acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the Income Statement and is not subsequently reversed.

	Group	
	2023 £m	2022 £m
<b>Cost</b>		
At 1 July	<b>877.4</b>	830.4
Arising on acquisition during the year	<b>—</b>	47.0
At 30 June	<b>877.4</b>	877.4
<b>Accumulated impairment losses</b>		
At 1 July and 30 June	<b>24.5</b>	24.5
<b>Carrying amount</b>		
At 30 June	<b>852.9</b>	852.9

The Group's goodwill relating to the acquisition of Wilson Bowden Limited in 2007 has a carrying value of £792.2m and goodwill relating to the 2019 acquisition of Oregon Timber Frame Limited has a carrying value of £13.7m, both relating to the housebuilding business.

During the prior year, the Group acquired all of the share capital of Gladman Developments Limited. Goodwill of £47.0m arising on the acquisition was capitalised and allocated to the Group's acquired land promotion business. No revision of the acquisition accounting for Gladman Developments Limited was necessary in the current year.

10. Goodwill and intangible assets continued

Other intangible assets



Brands

The Group has capitalised, as intangible assets, brands that have been acquired. Acquired brand values are calculated using discounted cash flows. Where a brand is considered to have a finite life, it is amortised over its useful life on a straight-line basis. Where a brand is capitalised with an indefinite life, it is not amortised. The factors that contribute to the durability of brands capitalised are that there are no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of these intangible assets. Internally generated brands are not capitalised.

The Group carries out an annual impairment review of indefinite life brand as part of the review of the carrying value of goodwill, by performing a value in use calculation, using a discount factor based upon the Group's pre-tax weighted average cost of capital.



Customer contract relationships

The Group has capitalised, as intangible assets, acquired customer contract relationships. Customer contract relationships are valued at the present value of future cash flows and are amortised on a straight-line basis over ten years. Internally generated customer contract relationships are not capitalised.



Customer contracts

The Group has capitalised, as intangible assets, acquired customer contracts. Customer contracts are valued at the present value of future cash flows less contributory asset charges and are amortised on a straight-line basis in line with contract relationships at the acquisition date.

	Group							
	Brands		Customer contract relationships		Customer contracts		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
<b>Cost</b>								
At 1 July	<b>118.7</b>	107.9	<b>—</b>	1.4	<b>98.9</b>	—	<b>217.6</b>	109.3
Acquired in the year	<b>—</b>	10.8	<b>—</b>	—	<b>—</b>	98.9	<b>—</b>	109.7
Amounts written off	<b>—</b>	—	<b>—</b>	(1.4)	<b>—</b>	—	<b>—</b>	(1.4)
At 30 June	<b>118.7</b>	118.7	<b>—</b>	—	<b>98.9</b>	98.9	<b>217.6</b>	217.6
<b>Amortisation</b>								
At 1 July	<b>8.1</b>	7.9	<b>—</b>	1.4	<b>4.1</b>	—	<b>12.2</b>	9.3
Amortisation in the year	<b>0.6</b>	0.2	<b>—</b>	—	<b>9.9</b>	4.1	<b>10.5</b>	4.3
Amounts written off	<b>—</b>	—	<b>—</b>	(1.4)	<b>—</b>	—	<b>—</b>	(1.4)
At 30 June	<b>8.7</b>	8.1	<b>—</b>	—	<b>14.0</b>	4.1	<b>22.7</b>	12.2
<b>Carrying amount</b>								
At 30 June	<b>110.0</b>	110.6	<b>—</b>	—	<b>84.9</b>	94.8	<b>194.9</b>	205.4

The Group does not amortise the housebuilding brand acquired with Wilson Bowden, being David Wilson Homes, valued at £100.0m, as the Directors consider that this brand has an indefinite useful economic life due to the Group intending to hold and support the brand for an indefinite period, and there are no factors that would prevent it from doing so.

During the prior year, in its acquisition of Gladman Developments Limited, the Group acquired brands valued at £10.8m and customer contracts valued at £98.9m. The customer contracts are amortised on a straight-line basis over the expected life of the contracts; the brands acquired are amortised on a straight-line basis over a 20-year period.