



**MILLER HOMES GROUP HOLDINGS PLC**

Quarterly Financial Report for the  
3 and 6 months ended 30 June 2019

5.5% Senior Secured Notes due 2024  
Senior Secured Floating Rate Notes due 2023

# Contents

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<b>Introduction</b>	<b>3</b>
<b>Financial and operational highlights</b>	<b>4</b>
<b>Financial summary</b>	<b>7</b>
Results of operations	7
Net debt, liquidity and cashflow	9
Capital employed, inventory and landbank	11
<b>Group condensed consolidated financial statements</b>	<b>13</b>
<b>Notes to the condensed consolidated financial statements</b>	<b>17</b>

## **Introduction**

- In accordance with the reporting requirements of its offering of £425m Senior Secured Notes (of which £405m are currently outstanding), Miller Homes Group Holdings plc (“the Group”) is pleased to present its Quarterly Financial Report for the 3 and 6 months ended 30 June 2019.
- The figures for the 3 and 6 month periods to 30 June 2019 and 2018 are unaudited.

## Financial and operational highlights for the 6 months to 30 June 2019

### Trading

- EBITDA for 6 months ended 30 June 2019 is £77.9m, a 10% increase on H1 2018.
- 8% increase in private net reservations driven by a 14% increase in outlet numbers. The private sales rate is 0.73 net reservations per site per week (H1 2018: 0.77).
- Average selling price for the 6 months ended 30 June 2019 is £243,000 (H1 2018: £248,000). The decrease has been driven by the sale of 89 apartments at our Telford NHT development in Edinburgh. Excluding these 89 units, ASP for the 6 months ended 30 June 2019 is £249,000.

### Land investment and leverage

- 4% increase in the consented landbank to 12,976 plots (Dec 2018: 12,524 plots), representing 4.1 years' supply, based on last 12 months' completions. This reflects an increase in the owned landbank to 9,668 plots (Dec 2018: 9,174 plots) offset by a decrease in the controlled landbank to 3,308 plots (Dec 2018: 3,350 plots).
- Strategic landbank of 18,591 plots (Dec 2018: 17,331 plots), representing 5.9 years' supply.
- Net LTV<sup>1</sup> of 50.0%, based on net inventory of £679.3m and net debt of £339.3m<sup>2</sup>. Net LTV has decreased from 53.0% in the previous quarter and compares to 55.1% at 30 June 2018.
- Net leverage of 2.1x, based on LTM EBITDA of £158.3m and net debt of £339.3m. This compares to net leverage of 2.3x in the previous quarterly report and 2.2x at 30 June 2018.

### Outlook

- At 30 June 2019, forward sales for the following 12 months are £368m, 7% ahead of the prior year.

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<sup>1</sup> LTV: Loan to value is net debt divided by net inventory (inventory less land payables).

<sup>2</sup> Excludes the capitalisation of bond financing costs (£15.2m).

The key financial highlights for the 3 and 6 month periods ended 30 June 2019, together with prior period comparatives, are set out below:

<i>Table 1</i>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>% change</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>	<b>% change</b>
Revenue	215.5	198.5	8.6	389.2	355.2	9.6
Cost of sales	(160.7)	(148.5)	8.2	(291.2)	(265.6)	9.6
Gross profit	54.8	50.0	9.6	98.0	89.6	9.4
Other operating income	0.3	0.6	(50.0)	0.8	1.0	(20.0)
Administrative expenses	(11.8)	(11.6)	1.7	(22.7)	(21.9)	3.7
Group operating profit	43.3	39.0	11.0	76.1	68.7	10.8
Share of result in joint ventures	1.0	0.8	25.0	1.7	2.3	(26.1)
Operating profit	44.3	39.8	11.3	77.8	71.0	9.6
Net finance costs	(11.3)	(12.6)	(10.3)	(22.5)	(24.7)	(8.9)
Profit before taxation	33.0	27.2	21.3	55.3	46.3	19.4
Taxation	(6.0)	(4.8)	25.0	(10.4)	(8.7)	19.5
<b>Profit for the period</b>	<b>27.0</b>	<b>22.4</b>	<b>20.5</b>	<b>44.9</b>	<b>37.6</b>	<b>19.4</b>
<i>Gross margin %</i>	<i>25.4%</i>	<i>25.2%</i>	<i>+20bps</i>	<i>25.2%</i>	<i>25.2%</i>	<i>-</i>
<i>Operating margin %</i>	<i>20.6%</i>	<i>20.1%</i>	<i>+50bps</i>	<i>20.0%</i>	<i>20.0%</i>	<i>-</i>

#### Reconciliation of EBITDA

<i>Table 2</i>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>
Profit for the period	27.0	22.4	44.9	37.6
Taxation	6.0	4.8	10.4	8.7
Net finance costs	11.3	12.6	22.5	24.7
Depreciation	-	0.1	0.1	0.1
<b>EBITDA</b>	<b>44.3</b>	<b>39.9</b>	<b>77.9</b>	<b>71.1</b>

#### Analysis of revenues

<i>Table 3</i>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>
Private revenue	201.5	177.3	350.5	320.8
Affordable revenue	13.9	13.9	38.1	24.9
Land sales	-	6.6	0.4	8.5
Other	0.1	0.7	0.2	1.0
<b>Total revenue</b>	<b>215.5</b>	<b>198.5</b>	<b>389.2</b>	<b>355.2</b>

## Analysis of completions and ASP

<i>Table 4</i>	<b>3 months ended 30 Jun 2019 No.</b>	<b>3 months ended 30 Jun 2018 No.</b>	<b>6 months ended 30 Jun 2019 No.</b>	<b>6 months ended 30 Jun 2018 No.</b>
Private completions	683	631	1,247	1,155
Affordable completions	131	128	353	238
<b>Core completions</b>	<b>814</b>	<b>759</b>	<b>1,600</b>	<b>1,393</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Private ASP	295	281	281	278
Affordable ASP	107	108	108	104
<b>Total ASP</b>	<b>265</b>	<b>252</b>	<b>243</b>	<b>248</b>

## Financial summary

### Results of operations for the 3 months ended 30 June 2019

#### Revenue

- Revenue for the 3 months to 30 June 2019 increased by 8.6% to £215.5m (Q2 2018: £198.5m), representing a 7.2% increase in core completions and a 5.2% increase in ASP.
- Core completions in the 3 months to 30 June 2019 increased by 7.2% to 814 units (Q2 2018: 759 units). Private completions increased by 8.2% to 683 units (Q2 2018: 631 units), driven by an increase in the number of active live sites in the current year period.
- ASP for the 3 months to 30 June 2019 increased by 5.2% to £265,000 (Q2 2018: £252,000). This reflects a 5.0% increase in the private ASP to £295,000 (Q2 2018: £281,000) and a 0.9% decrease in the affordable ASP to £107,000 (Q2 2018: £108,000).

#### Gross profit

- Gross profit for the 3 months to 30 June 2019 increased by 9.6% to £54.8m (Q2 2018: £50.0m). Gross margin in the 3 month period was 25.4% (Q2 2018: 25.2%).

#### Administrative expenses

- Administrative expenses for the 3 months to 30 June 2019 totalled £11.8m (Q2 2018: £11.6m). The increase of £0.2m has primarily been driven by annual wage inflation and increased headcount offset by a lower bonus charge.

#### EBITDA

- EBITDA for the 3 months to 30 June 2019 increased by 11.0% to £44.3m (Q2 2018: £39.9m) reflecting the increase in gross profit and share of result in joint ventures being only partly offset by higher administrative expenses and lower other operating income.

#### Finance costs and income

- Net finance costs in the 3 month period ended 30 June 2019 were £11.3m (Q2 2018: £12.6m). The decrease of £1.3m reflects the buy back and cancellation of £20m senior secured notes in June 2018 and the repayment of £43.5m intercompany loan notes in November 2018. The interest charge includes £2.9m relating to the shareholder loan notes.

## **Taxation**

- The tax charge of £6.0m (Q2 2018: £4.8m) excludes a further charge of £0.2m for joint ventures which is reflected within the share of result in joint ventures. The tax charge represents an effective tax rate of 18.7%. The deferred tax asset has fallen to £10.4m (Dec 2018: £15.9m).



## Net debt, liquidity and cashflow

<i>Table 5</i>	<b>As at 30 Jun 2019 £m</b>	<b>As at 31 Dec 2018 £m</b>	<b>As at 30 Jun 2018 £m</b>
Senior secured notes	(405.0)	(405.0)	(405.0)
Deferred financing costs	15.2	16.8	18.0
Long term borrowings	-	(10.3)	(10.3)
Cash and cash equivalents	65.7	98.6	109.9
<b>Total external net debt</b>	<b>(324.1)</b>	<b>(299.9)</b>	<b>(287.4)</b>

<i>Table 6</i>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>
Net cash flow from operating activities	5.2	(0.3)	(24.8)	21.2
Net cash flow from investing activities	2.1	2.2	2.2	(3.7)
Net cash flow from financing activities	-	(20.0)	(10.3)	(20.0)
Movements in cash and cash equivalents	7.3	(18.1)	(32.9)	(2.5)
Cash and cash equivalents at beginning of period	58.4	128.0	98.6	112.4
<b>Cash and cash equivalents at end of period</b>	<b>65.7</b>	<b>109.9</b>	<b>65.7</b>	<b>109.9</b>

- Net cash flow from operating activities for the 3 months ended 30 June 2019 was an inflow of £5.2m compared to an outflow of £0.3m for the 3 months ended 30 June 2018. This principally reflects the higher EBITDA generated in the 3 months ended 30 June 2019.
- Net cash flow from investing activities for the 3 months ended 30 June 2019 was an inflow of £2.1m compared to an inflow of £2.2m for the 3 months ended 31 December 2018. The inflow represents partial repayment of shareholder loans by joint ventures.
- Net cash flow from financing activities for the 3 months ended 30 June 2019 was nil, compared to an outflow of £20.0m in the 3 months ended 30 June 2018. The outflow in the prior year period reflects the early buy back and cancellation of £20.0m senior secured notes.

<i>Table 7</i>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>
<b>EBITDA</b>	<b>44.3</b>	<b>39.9</b>	<b>77.9</b>	<b>71.1</b>
Net land investment (in excess of) / less than cost of sales	(19.5)	(21.4)	(59.5)	(26.1)
Development spend less than / (in excess of) cost of sales	0.2	(1.3)	(14.8)	0.3
Change in working capital	(5.0)	(2.9)	(10.6)	(8.5)
Cash flows from JVs (not included in EBITDA)	1.3	1.9	0.7	(5.4)
Shared equity loan receivables	1.7	1.2	3.5	2.6
Other	(4.8)	(3.3)	(4.8)	(1.4)
<b>Free cash flow<sup>1</sup></b>	<b>18.2</b>	<b>14.2</b>	<b>(7.6)</b>	<b>32.6</b>
Net land spend (included in cost of sales)	37.0	32.3	66.5	58.3
Net land investment in excess of cost of sales	19.5	21.4	59.5	26.1
<b>Total net land spend</b>	<b>56.5</b>	<b>53.7</b>	<b>126.0</b>	<b>84.4</b>
<b>Free cash flow pre net land spend</b>	<b>74.7</b>	<b>67.9</b>	<b>118.4</b>	<b>117.0</b>

- The business continues to be highly cash generative, with £74.7m (Q2 2018: £67.9m) of cash generated pre net land spend.
- Free cash flow in the 3 months ended 30 June 2019 was £18.2m compared to £14.2m in the 3 months ended 30 June 2018. This is primarily due to higher EBITDA in the 3 months ending 30 June 2019, as explained on page 7.

<sup>1</sup> Free cashflow represents the cash movement per the consolidated cashflow statement but excluding cashflows from financing activities, investing activities (other than movement in loans to joint ventures), corporation tax paid, interest paid and transaction costs.

**Capital employed, inventory and landbank**  
**Return on underlying capital employed**

<i>Table 8</i>	<b>As at and for the 12 months ended 30 Jun 2019 £m</b>	<b>As at and for the 12 months ended 31 Dec 2018 £m</b>	<b>As at and for the 12 months ended 30 Jun 2018 £m</b>
Net assets	284.5	239.6	195.4
Net external debt	324.1	299.9	287.4
Intercompany debt	125.2	119.4	155.6
<b>Capital employed</b>	<b>733.8</b>	<b>658.9</b>	<b>638.4</b>
<i>Less</i>			
Intangible assets	(146.2)	(146.2)	(146.2)
Shared equity loan receivables	(10.2)	(13.7)	(19.2)
Deferred tax	(10.4)	(15.9)	(21.2)
<b>Underlying capital employed</b>	<b>567.0</b>	<b>483.1</b>	<b>451.8</b>
Operating profit	157.9	151.1	137.8
<i>Less</i>			
Credit to operating profit in respect of shared equity loan receivables	(0.6)	(0.8)	(2.7)
<b>Underlying operating profit</b>	<b>157.3</b>	<b>150.3</b>	<b>135.1</b>
<b>Underlying ROCE (%)</b>	<b>30.9</b>	<b>33.4</b>	<b>31.7</b>

- Capital employed increased to £733.8m as of 30 June 2019 (Dec 2018: £658.9m), of which £146.2m relates to intangible assets established following the acquisition. The increase in underlying capital employed to £567.0m (Dec 2018: £483.1m) reflects an increase in net inventory which has risen by £77.3m to £679.3m (Dec 2018: £602.0m). An analysis of net inventory and the landbank is set out on the next page.

<i>Table 9</i>	<b>As at 30 Jun 2019 £m</b>	<b>As at 31 Dec 2018 £m</b>	<b>As at 30 Jun 2018 £m</b>
Land	475.6	448.3	438.0
Work in progress	296.6	281.2	242.6
Part exchange properties	21.2	16.0	12.6
<b>Inventory</b>	<b>793.4</b>	<b>745.5</b>	<b>693.2</b>
Land payables	(114.1)	(143.5)	(139.1)
<b>Net inventory</b>	<b>679.3</b>	<b>602.0</b>	<b>554.1</b>
<b>Landbank</b>	<b>Plots</b>	<b>Plots</b>	<b>Plots</b>
Owned / unconditional	9,668	9,174	9,238
Controlled	3,308	3,350	3,230
Consented	12,976	12,524	12,468
Strategic	18,591	17,331	17,467
<b>Total</b>	<b>31,567</b>	<b>29,855</b>	<b>29,935</b>

- The Group acquired or unconditionally contracted on 5 sites during the 3 months ended 30 June 2019 adding 1,112 plots to the owned landbank. 12 sites, totalling 2,090 plots were acquired or unconditionally contracted in the 6 months ended 30 June 2019 (H1 2018: 14 sites and 2,245 plots).
- The owned landbank at 30 June 2019 has increased to 9,668 plots (Gross development value: £2.6bn). All owned land which has a detailed planning permission is being developed.
- The consented landbank has increased by 4% to 12,976 plots (Dec 2018: 12,524 plots). Based on the last 12 months' completions of 3,161 units, this represents 4.1 years' supply (Dec 2018: 4.2 years).
- The strategic landbank has increased by 7% to 18,591 plots (Dec 2018: 17,331 plots) and represents 5.9 years' supply.
- The decrease in land payables reflects the timing of contracted payments and the specific nature of individual deals.

# **MILLER HOMES GROUP HOLDINGS PLC**

Group condensed consolidated financial  
statements

3 and 6 month periods ended 30 June 2019

**CONSOLIDATED INCOME STATEMENT**  
*for the 3 and 6 month periods ended 30 June 2019*

	Note	3 months ended 30 Jun 2019 £m	3 months ended 30 Jun 2018 £m	6 months ended 30 Jun 2019 £m	6 months ended 30 Jun 2018 £m
<b>Revenue</b>		215.5	198.5	389.2	355.2
Cost of sales		(160.7)	(148.5)	(291.2)	(265.6)
<b>Gross profit</b>		54.8	50.0	98.0	89.6
Other operating income		0.3	0.6	0.8	1.0
Administrative expenses		(11.8)	(11.6)	(22.7)	(21.9)
<b>Group operating profit</b>		43.3	39.0	76.1	68.7
Share of result in joint ventures		1.0	0.8	1.7	2.3
<b>Operating profit</b>		44.3	39.8	77.8	71.0
Finance costs	4	(11.6)	(13.1)	(23.1)	(25.8)
Finance income	5	0.3	0.5	0.6	1.1
Net finance costs		(11.3)	(12.6)	(22.5)	(24.7)
<b>Profit before taxation</b>		33.0	27.2	55.3	46.3
Income taxes		(6.0)	(4.8)	(10.4)	(8.7)
<b>Profit for the period</b>		<b>27.0</b>	<b>22.4</b>	<b>44.9</b>	<b>37.6</b>

The results for the 3 and 6 month periods ended 30 June 2019 and 30 June 2018 are unaudited.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 Jun 2019 £m	As at 31 Dec 2018 £m	As at 30 Jun 2018 £m
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets (incl goodwill)	6	146.2	146.2	146.2
Property, plant and equipment		1.4	1.3	1.2
Investments		20.9	21.6	24.8
Shared equity loan receivables		10.2	13.7	19.2
Deferred tax		10.4	15.9	21.2
		<b>189.1</b>	<b>198.7</b>	<b>212.6</b>
<b>Current assets</b>				
Inventories	7	793.4	745.5	693.2
Trade and other receivables		22.2	20.0	36.1
Cash and cash equivalents		65.7	98.6	109.9
		<b>881.3</b>	<b>864.1</b>	<b>839.2</b>
<b>Total assets</b>		<b>1,070.4</b>	<b>1,062.8</b>	<b>1,051.8</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	8	(515.0)	(507.6)	(552.9)
Trade and other payables		(45.8)	(45.2)	(46.3)
Retirement benefit obligations		(10.8)	(13.0)	(19.9)
Provisions and deferred income		(2.5)	(3.0)	(2.9)
		<b>(574.1)</b>	<b>(568.8)</b>	<b>(622.0)</b>
<b>Current liabilities</b>				
Loans and borrowings	9	-	(10.3)	-
Trade and other payables		(211.8)	(244.1)	(234.4)
		<b>(211.8)</b>	<b>(254.4)</b>	<b>(234.4)</b>
<b>Total liabilities</b>		<b>(785.9)</b>	<b>(823.2)</b>	<b>(856.4)</b>
<b>Net assets</b>		<b>284.5</b>	<b>239.6</b>	<b>195.4</b>
<b>Equity</b>				
Share capital		151.0	151.0	151.0
Retained earnings		133.5	88.6	44.4
<b>Total equity attributable to owners of the parent</b>		<b>284.5</b>	<b>239.6</b>	<b>195.4</b>

The December 2018 figures represent the audited financial statements of Miller Homes Group Holdings plc. The June 2019 and June 2018 figures are unaudited.

**CONSOLIDATED CASHFLOW STATEMENT**  
**for the 3 and 6 month periods ended 30 June 2019**

	3 months ended 30 Jun 2019 £m	3 months ended 30 Jun 2018 £m	6 months ended 30 Jun 2019 £m	6 months ended 30 Jun 2018 £m
<b>Cash flows from operating activities</b>				
Profit for the period	27.0	22.4	44.9	37.6
Depreciation	-	0.1	0.1	0.1
Finance income	(0.3)	(0.5)	(0.6)	(1.1)
Finance cost	11.6	13.1	23.1	25.8
Share of post tax result from joint ventures	(1.0)	(0.8)	(1.7)	(2.3)
Taxation	6.0	4.8	10.4	8.7
Operating profit before changes in working capital	43.3	39.1	76.2	68.8
Working capital movements:				
Movement in trade and other receivables	0.6	(1.9)	1.3	(4.6)
Movement in inventories	(33.2)	(42.4)	(49.4)	(77.2)
Movement in trade and other payables	5.3	16.7	(38.1)	48.7
Cash generated from operations	16.0	11.5	(10.0)	35.7
Interest paid	(9.2)	(10.2)	(11.6)	(12.9)
Corporation tax paid	(1.6)	(1.6)	(3.2)	(1.6)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>5.2</b>	<b>(0.3)</b>	<b>(24.8)</b>	<b>21.2</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(0.1)	(0.5)	(0.2)	(0.6)
Movement in loans with joint ventures	2.2	2.7	2.4	(3.1)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>(3.7)</b>
<b>Cash flows from financing activities</b>				
Decrease in senior secured notes	-	(20.0)	-	(20.0)
Decrease in other long term borrowings	-	-	(10.3)	-
<b>Net cash (outflow) / inflow from financing activities</b>	<b>-</b>	<b>(20.0)</b>	<b>(10.3)</b>	<b>(20.0)</b>
Increase / (decrease) in cash and cash equivalents	7.3	(18.1)	(32.9)	(2.5)
Cash and cash equivalents at beginning of period	58.4	128.0	98.6	112.4
<b>Cash and cash equivalents at end of period</b>	<b>65.7</b>	<b>109.9</b>	<b>65.7</b>	<b>109.9</b>



## Notes to the condensed consolidated financial statements

### 1. Reconciliation of net cash flow to net debt

	3 months ended 30 Jun 2019 £m	3 months ended 30 Jun 2018 £m	6 months ended 30 Jun 2019 £m	6 months ended 30 Jun 2018 £m
Movement in cash and cash equivalents	7.3	(18.1)	(32.9)	(2.5)
Decrease in senior secured notes	-	20.0	-	20.0
Decrease in other long term borrowings	-	-	10.3	-
Non cash movement <sup>1</sup>	(3.7)	(4.3)	(7.4)	(8.6)
Movement in net debt in period	3.6	(2.4)	(30.0)	8.9
Net debt at beginning of period	(452.9)	(440.6)	(419.3)	(451.9)
<b>Net debt at end of period</b>	<b>(449.3)</b>	<b>(443.0)</b>	<b>(449.3)</b>	<b>(443.0)</b>

Net debt comprises:

	As at 30 Jun 2019 £m	As at 31 Dec 2018 £m	As at 30 Jun 2018 £m
External net debt	(324.1)	(299.9)	(287.4)
Intercompany loans	(125.2)	(119.4)	(155.6)
<b>Net debt at end of period</b>	<b>(449.3)</b>	<b>(419.3)</b>	<b>(443.0)</b>

### 2. Reporting entity

Miller Homes Group Holdings plc is a Company domiciled in England and Wales. The condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group") and reflect the underlying trading results of Miller Homes Holdings Limited.

The financial statements did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 and were given an unqualified audit opinion.

### 3. Accounting policies

The preparation of these condensed consolidated financial statements is based on the accounting policies set out in the audited 2018 financial statements of Miller Homes Group Holdings plc.

<sup>1</sup> The non-cash movement for the 3 months ended 30 June 2019 represents £0.8m (Q2 2018: £0.7m) of arrangement fee amortisation and £2.9m (Q2 2018: £3.6m) of rolled up interest on the unsecured shareholder loan notes.

<sup>2</sup> The non-cash movement for the 6 months ended 30 June 2019 represents £1.6m (H1 2018: £1.5m) of arrangement fee amortisation and £5.8m (H1 2018: £7.1m) of rolled up interest on the unsecured shareholder loan notes.

<b>4. Finance costs</b>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>
Interest payable on senior secured notes, bank loans and overdrafts	6.9	7.2	13.7	14.2
Interest payable on amounts owed to immediate parent company	2.9	3.6	5.8	7.1
Imputed interest on land payables on deferred terms	1.7	2.0	3.4	3.9
Finance costs related to employee benefit obligations	0.1	0.3	0.2	0.6
	<b>11.6</b>	<b>13.1</b>	<b>23.1</b>	<b>25.8</b>

  

<b>5. Finance income</b>	<b>3 months ended 30 Jun 2019 £m</b>	<b>3 months ended 30 Jun 2018 £m</b>	<b>6 months ended 30 Jun 2019 £m</b>	<b>6 months ended 30 Jun 2018 £m</b>
Imputed interest on land receivables on deferred terms	-	0.2	-	0.4
Interest on loans to joint ventures	0.1	0.2	0.3	0.4
Other	0.2	0.1	0.3	0.3
	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>1.1</b>

  

<b>6. Intangible assets</b>	<b>As at 30 Jun 2019 £m</b>	<b>As at 31 Dec 2018 £m</b>	<b>As at 30 Jun 2018 £m</b>
Goodwill	92.2	92.2	92.2
Brand value	54.0	54.0	54.0
	<b>146.2</b>	<b>146.2</b>	<b>146.2</b>

  

<b>7. Inventories</b>	<b>As at 30 Jun 2019 £m</b>	<b>As at 31 Dec 2018 £m</b>	<b>As at 30 Jun 2018 £m</b>
Land	475.6	448.3	438.0
Work in progress	296.6	281.2	242.6
Part exchange properties	21.2	16.0	12.6
	<b>793.4</b>	<b>745.5</b>	<b>693.2</b>

<b>8. Loans and borrowings – non-current</b>	<b>As at 30 Jun 2019 £m</b>	<b>As at 31 Dec 2018 £m</b>	<b>As at 30 Jun 2018 £m</b>
Senior secured notes	(405.0)	(405.0)	(405.0)
Deferred financing costs	15.2	16.8	18.0
Long term borrowings	-	-	(10.3)
Intercompany loan (unsecured)	(125.2)	(119.4)	(155.6)
	<b>(515.0)</b>	<b>(507.6)</b>	<b>(552.9)</b>

<b>9. Loans and borrowings – current</b>	<b>As at 30 Jun 2019 £m</b>	<b>As at 31 Dec 2018 £m</b>	<b>As at 30 Jun 2018 £m</b>
Long term borrowings	-	(10.3)	-
	-	<b>(10.3)</b>	-

**Senior secured notes:** Following the Group's acquisition of Miller Homes Holdings Limited on 5 October 2017 the Group issued £425m of senior secured notes, and repaid existing bank loans. The Group bought back and cancelled £20m of its senior secured notes in June 2018 (£14m FRN, £6m fixed).

**Long term borrowings:** Long term borrowings related to the Group's interest in Telford NHT (2011) LLP, an entity established to provide residential property for rental purposes which was divested in January 2019.

**Intercompany loan:** The intercompany loan is payable to Miller Midco 2 Limited, a company ultimately controlled by Bridgepoint funds. The loan is unsecured and repayable in October 2027. On 27 November 2018, £43.5m of this loan was repaid.