

# **Birch plc**

## **Directors' Report and Financial Statements**

31 December 2009

Registered Number 02563345

TUESDAY



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## **Contents**

Directors' Report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent Auditors' Report to the Members of Birch plc	3
Profit and Loss Account	4
Balance sheet	5
Notes	6

## Directors' Report

The directors present their annual report together with the financial statements of Birch plc for the year ended 31 December 2009

### Principal Activities

The company did not trade during the year

### Result for the year

The result for the year is set out in the profit and loss account. A dividend of £nil (2008: £6,264,000) was paid during the year.

### Directors

The directors who held office during the financial year were as follows:

Keith M Miller  
John S Richards

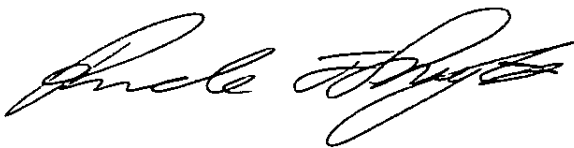
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Pamela J Smyth  
Secretary

24 June 2010

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditors' Report to the Members of Birch plc**

We have audited the financial statements of Birch plc for the year ended 31 December 2009 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



24 June 2010

**M Ross (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

## Profit and Loss Account

For the year ended 31 December 2009

	<i>Note</i>	<b>2009</b> <b>£000</b>	2008 £000
Income from shares in group subsidiary undertakings		-	6,264
<b>Profit on ordinary activities before taxation</b>		-	6,264
Tax on profit on ordinary activities		-	-
<b>Profit on ordinary activities after taxation</b>	7	-	6,264

There are no recognised gains or losses other than those disclosed above

## Balance sheet

As at 31 December 2009

	Note	2009 £000	2008 £000
<b>Fixed assets</b>			
Investments	4	-	-
<b>Current assets</b>			
Debtors – amount owed by parent company		6,858	6,858
<b>Net current assets</b>		<u>6,858</u>	<u>6,858</u>
Creditors amounts falling due after more than one year	5	(3,661)	(3,661)
<b>Net assets</b>		<u>3,197</u>	<u>3,197</u>
<b>Capital and reserves</b>			
Called up share capital	6	101	101
Share premium account		1,122	1,122
Profit and loss account	7	1,974	1,974
<b>Shareholders' funds</b>	8	<u>3,197</u>	<u>3,197</u>

These financial statements were approved by the board of directors on 24 June 2010 and were signed on its behalf by



**Keith M Miller**  
 Director

## Notes

(forming part of the financial statements)

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### ***Basis of accounting***

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards

#### ***Investments***

Investments in subsidiary undertakings are stated at cost less amounts written off

#### ***Classification of financial instruments issued by the company***

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities have been waived

#### ***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

### 2 Directors' emoluments

There were no emoluments paid to Directors during the year



## Notes (continued)

### 3. Dividends

	2009 £000	2008 £000
Dividends paid on equity shares	-	6,264

### 4. Investments

	Shares in Group undertakings £
<b>Cost</b>	
At beginning and end of year	100

The principal company in which the company's interest at the year end is 100% is as follows

Name of company	Principal activity	Share capital
Birch Homes Limited	Dormant	100% ordinary share capital

### 5 Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
110,295 class A ordinary shares of 10p each	11	11
2,800,000 A preference shares of £1 each	2,800	2,800
850,000 B preference shares of £1 each	850	850
	<u>3,661</u>	<u>3,661</u>

#### Preference shares

The following rights attach to the A and B preference shares

- Cumulative dividend rights in preference to all classes of ordinary shares as follows

A fixed dividend of 9% per annum

These dividends are payable half yearly, B preference shareholders ranking behind A preference shareholders

## **Notes** *(continued)*

### **5 Creditors. amounts falling due after more than one year** *(continued)*

- On a winding up of the company, the preference shares would have a right to payment of £1 per share together with any arrears or accruals of dividend in preference to ordinary shareholders
- The shares have right of notice of general meetings but no right to vote

#### ***A ordinary shares***

The following rights attach to the class A ordinary shares

- Cumulative dividend rights in preference to ordinary shares but after all preference shares are as follows

6% of consolidated profit before tax for the year to 30 September 1999 and then

7% of consolidated profit before tax thereafter, paid half yearly

- On a winding up of the company, a right to payment of £1 per share together with any arrears or accruals of dividend ranking behind preference shares but before ordinary shares and then a share of any remaining net assets after an equivalent payment is made to all other ordinary shares
- A right to convert the A ordinary shares into equivalent numbers of ordinary shares at any time with approval of 75% of class members
- The A ordinary shares carry the rights to one vote for every £1 in nominal value held

#### ***C ordinary shares***

These shares carry an entitlement to 9% of the rights attributable to the equity share capital of the company (i.e. excluding any rights attributable to the A preference and ordinary shares and the B preference shares)

The company's sole shareholder, Miller Homes Holdings Limited, has waived its entitlement to either ordinary or preference dividends on a rolling basis prior to the start of each year since it has taken ownership

## Notes (continued)

### 6 Called up share capital

	2009 £000	2008 £000
<b>Authorised</b>		
9,237,193 ordinary shares of 10p each	924	924
267,858 class A ordinary shares of 10p each	27	27
2,800,000 A preference shares of £1 each	2,800	2,800
850,000 B preference shares of £1 each	850	850
64,279 class C ordinary shares of 10p each	6	6
4,306,700 class C ordinary shares of 1p each	43	43
	<u>4,650</u>	<u>4,650</u>
<b>Allotted, called up and fully paid</b>		
522,114 ordinary shares of 10p each	52	52
110,295 class A ordinary shares of 10p each	11	11
2,800,000 A preference shares of £1 each	2,800	2,800
850,000 B preference shares of £1 each	850	850
64,279 class C ordinary shares of 10p each	6	6
4,306,693 class C ordinary shares of 1p each	43	43
	<u>3,762</u>	<u>3,762</u>
Shares classified as shareholders' funds	101	101
Shares classified as liabilities	3,661	3,661
	<u>3,762</u>	<u>3,762</u>

### 7 Profit and loss account

	2009 £000	2008 £000
At beginning of year	1,974	1,974
Profit for the year	-	6,264
Dividends paid (note 3)	-	(6,264)
At end of year	<u>1,974</u>	<u>1,974</u>

**Notes** (continued)

**8. Reconciliation of movement in shareholders' funds**

	<b>2009</b>	2008
	<b>£000</b>	£000
Profit for the year	-	6,264
Dividends paid (note 3)	-	(6,264)
Net movement in shareholders' funds	<u>-</u>	<u>-</u>
Shareholders' funds at start of year	<b>3,197</b>	6,858
Shareholders' funds at end of year	<u><b>3,197</b></u>	<u>3,197</u>

**9 Immediate and ultimate parent company**

The company's immediate parent company is Miller Homes Holdings Limited and its ultimate parent company is The Miller Group Limited. Both companies are registered in Scotland and incorporated in Great Britain and their accounts can be obtained from the Registrar of Companies, Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.