

Birch plc

Directors' Report and Financial Statements

31 December 2010

Registered Number 02563345



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Directors' Report

The directors present their annual report together with the financial statements of Birch plc for the year ended 31 December 2010

Principal Activities

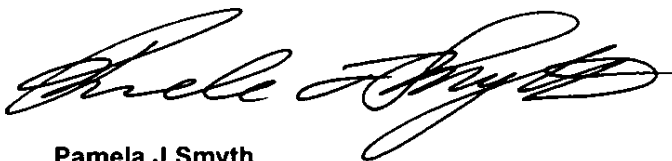
The company did not trade during the year

Directors

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

Keith M Miller
John S Richards

By order of the Board

A handwritten signature in black ink, appearing to read 'Pamela J Smyth', written over a horizontal line.

Pamela J Smyth
Secretary

6 May 2011

Balance sheet

As at 31 December 2010

	Note	2010 £000	2009 £000
Fixed assets			
Investments	3	-	-
Current assets			
Debtors – amount owed by parent company		6,858	6,858
Net current assets		6,858	6,858
Creditors amounts falling due after more than one year	4	(3,661)	(3,661)
Net assets		3,197	3,197
Capital and reserves			
Called up share capital	5	101	101
Share premium account		1,122	1,122
Profit and loss account	6	1,974	1,974
Shareholders' funds	7	3,197	3,197


For the year ended 31 December 2010 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

Directors' responsibilities

(a) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and

(b) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts were approved by the Board of Directors on 6 May 2011 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. Investments

	Shares in Group undertakings £000
Cost	
At beginning and end of year	1

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

4 Creditors amounts falling due after more than one year

	2010 £000	2009 £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

- 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

Notes (continued)

4. Creditors: amounts falling due after more than one year (continued)

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

5 Called up share capital

	2010 £000	2009 £000
Authorised		
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
	4,650	4,650

Notes (continued)

5. Called up share capital (continued)

Allotted, called up and fully paid

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>

6. Profit and loss account

	2010 £000	2009 £000
At beginning of year	1,974	1,974
Profit for the year	-	-
At end of year	<u>1,974</u>	<u>1,974</u>

7 Reconciliation of movement in shareholders' funds

	2010 £000	2009 £000
Profit for the year	-	-
Net movement in shareholders' funds	<u>-</u>	<u>-</u>
Shareholders' funds at start of year	3,197	3,197
Shareholders' funds at end of year	<u>3,197</u>	<u>3,197</u>

8 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, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.