

Miller Emblem Investments Limited

Directors' Report and Financial Statements

31 December 2007

Registered Number SC288590

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Directors' Report and Financial Statements

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Directors' Report

The Directors present their report and audited financial statements for the year ended 31 December 2007

Principal Activity

The principal activity of the company during the year was that of an investment holding company

Results and Dividend

The results for the year are set out in the attached Profit and Loss Account. The profit for the year is £161,141 (2006 £156,561)

Directors

The Directors who held office during the year were as follows

R S Mackie
A P Scott

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

In accordance with section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the Board



Pamela Smyth
Secretary

20 May 2008

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)

The financial statements are required by law to give a 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 proper accounting records that 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 1985. 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 Miller Emblem Investments Limited

We have audited the financial statements of Miller Emblem Investments Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. In addition we report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP 
Chartered Accountants
Registered Auditor
Edinburgh

30 May 2008

Profit and Loss Account
for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Interest receivable and similar income	5	230,201	223,658
		<hr/>	<hr/>
Profit on ordinary activities before taxation		230,201	223,658
Taxation	6	(69,060)	(67,097)
		<hr/>	<hr/>
Profit after taxation for the financial year	11	161,141	156,561
		<hr/>	<hr/>

The profit for the year has been derived from continuing activities

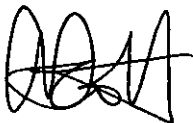
There are no recognised gains or losses other than the profit reported above

Balance Sheet
at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Investments	7	1,720,314	1,663,658
Debtors amounts falling due within one year	8	58,271	
Creditors amounts falling due within one year	9	(1,460,882)	(1,507,096)
		<hr/>	<hr/>
Net current liabilities		(1,402,612)	
		<hr/>	<hr/>
Net assets		317,703	156,562
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	317,702	156,561
		<hr/>	<hr/>
Shareholders' funds	12	317,703	156,562
		<hr/>	<hr/>

The notes on pages 6 to 9 form part of these financial statements

The financial statements were approved by the Board of Directors on 20 May 2008 and were signed on its behalf by



Alan P Scott
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards

The company is exempt from the requirement of Financial Reporting Standard 1, to prepare a cash flow statement, as it is a wholly owned subsidiary of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company

As the company is a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Miller Group Limited, within which this company is included, can be obtained from the address given in note 13

Investments

Fixed asset investments are shown at cost less provision for impairment

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2. Profit on ordinary activities before taxation

The company's audit fees are borne by another group undertaking

Notes (continued)

3. Staff numbers and costs

The company had no employees during the year

4 Directors' emoluments

None of the directors received any remuneration from the company during the year

5. Interest receivable and similar income

	2007 £	2006 £
Interest earned on loan investments	230,201	223,658

6. Taxation

Analysis of tax charge in year

	2007 £	2006 £
<i>UK Corporation Tax</i>		
Current tax on income for the year	69,060	67,097

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as (2006 – the same as) the standard rate of corporation tax in the UK (30%, 2006 – 30%)

Notes (continued)

7. Fixed asset investments

	Participating Interests		
	Shares	Loans	Total
	£	£	£
<i>Cost and net book value</i>			
At beginning of year	39,000	1,624,658	1,663,658
Additions		56,656	56,656
	<hr/>	<hr/>	<hr/>
At end of year	39,000	1,681,314	1,720,314
	<hr/>	<hr/>	<hr/>

The principal company in which the company's interest at the year end is more than 20% is as follows

	Shares held			
	Class	%	Nature of Business	Country of incorporation
Emblem Schools (Holdings) Limited	Ordinary	30%	Education	Scotland

The loans earn interest at a rate of 13.75% per annum

8. Debtors. Amounts falling due within one year

	2007	2006
	£	£
Other debtors	58,271	
	<hr/>	<hr/>
	58,271	
	<hr/>	<hr/>

9. Creditors. Amounts falling due within one year

	2007	2006
	£	£
Amounts owed to fellow subsidiary undertaking	1,391,822	1,439,999
Corporation tax	69,060	67,097
	<hr/>	<hr/>
	1,460,882	1,507,096
	<hr/>	<hr/>

Notes (continued)

10. Share capital

	2007 £	2006 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1
	<hr/>	<hr/>

11. Profit and loss account

	2007 £	2006 £
At beginning of year	156,561	
Profit for the financial year	161,141	156,561
	<hr/>	<hr/>
At end of year	317,702	156,561
	<hr/>	<hr/>

12. Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Profit for the financial year	161,141	156,561
	<hr/>	<hr/>
Net increase in shareholders' funds	161,141	156,561
Opening shareholders' funds	156,562	1
	<hr/>	<hr/>
Closing shareholders' funds	317,703	156,562
	<hr/>	<hr/>

13. Ultimate parent company

The company's ultimate parent company is The Miller Group Limited, which is registered in Scotland and incorporated in Great Britain. The consolidated financial statements of The Miller Group Limited can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.