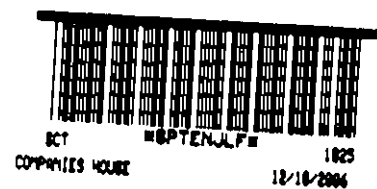


Iliad Miller (No.2) Limited

Directors' Report and Financial Statements

31 December 2005

Registered Number SC225524



Directors' Report and Financial Statements

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Directors' Report

The Directors have pleasure in presenting their report and audited financial statements for the year to 31 December 2005

Results and Dividends

The result for the year is set out in the profit and loss account on page 4

Activity

The principal activity of the company is that of property development. The directors consider the year end financial position to be satisfactory.

Directors and Directors' Interests

The Directors of the company during the year were

David Anastasiou
Eleftherios Eleftheriou
Ewan T Anderson
Darren Bell (Resigned 06 December 2005)

None of the Directors had any interest in the share capital of the company

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



Ewan T Anderson
Director

11 September 2006

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.

The financial statements are required by law to 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 judgments 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 its 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 Iliad Miller (No.2) Limited

We have audited the financial statements of Iliad Miller (No 2) Limited for the year ended 31 December 2005 which comprise of the Profit and Loss Account and 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 2005 and of its result for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Edinburgh

30 September 2006

Profit and loss account

For the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
Turnover			5,120,950
Cost of sales		(25,000)	(4,163,147)
		<hr/>	<hr/>
Gross (loss)/profit		(25,000)	957,803
Administrative expenses		25,000	(825,280)
		<hr/>	<hr/>
Operating profit		-	132,523
Interest payable and similar charges	4	-	(33,769)
		<hr/>	<hr/>
Profit on ordinary activities before taxation			98,754
Tax on profit on ordinary activities	5	-	(29,626)
		<hr/>	<hr/>
Retained profit for the year			69,128
Profit and loss reserve at start of year			(69,128)
		<hr/>	<hr/>

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

Balance sheet

As at 31 December 2005

	Note	2005 £	2004 £
Current assets			
Debtors	6	602	7,248
Cash at bank and in hand		189,592	221,006
		<u>190,194</u>	<u>228,254</u>
Creditors, amounts falling due within one year	7	(190,094)	(228,154)
		<u>100</u>	<u>100</u>
Net assets			
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account			
		<u>100</u>	<u>100</u>
Equity shareholders' funds			
		<u>100</u>	<u>100</u>

These financial statements were approved by the board of directors on 11 September 2006 and were signed on its behalf by



Ewan T Anderson
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

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies

Taxation

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

Turnover

Turnover represents the invoiced value of sales and other services provided to third parties during the period, exclusive of value added tax

Development work in progress

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower

2. Staff numbers and costs

The company has no employees and no emoluments were paid to the Directors of the company during the period

3. Operating profit

This is stated after charging

	2005 £	2004 £
Auditors' remuneration audit fee	580	565
	<hr/>	<hr/>

4 Interest payable and similar charges

	2005 £	2004 £
Bank interest		33,769
	<hr/>	<hr/>

Notes (continued)

5 Tax on ordinary activities

	2005 £	2004 £
<i>Deferred Tax</i>		
Reversal of timing difference		29,626
Tax on profit on ordinary activities		29,626

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as (2004 lower) than the standard rate of corporation tax in the UK 30%, (2004 30%)

<i>Current tax reconciliation</i>	2005 £	2004 £
Profit on ordinary activities before tax		98,754
Current tax at 30% (2004 30%)	-	29,626
Effect of		
Reversal of timing differences		(29,626)
Total current tax charge		

6. Debtors

	2005 £	2004 £
Unpaid share capital	100	100
Amounts owed by parent undertaking	502	
Other debtors		7,148
	602	7,248

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to parent undertakings	102,355	156,012
Accruals and deferred income	87,739	72,142
	190,094	228,154

Notes (continued)

8. Called up share capital

	2005 £	2004 £
<i>Authorised, Allotted and fully paid</i>		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	<hr/> 100	<hr/> 100
	<hr/> <hr/>	<hr/> <hr/>

Both "A" and "B" shares have the same voting rights and rank *pari passu* as set out in the Memorandum and Articles of Association of the company

9. Related party disclosures

The company is controlled jointly by The Miller Group Limited and Iliad Group Limited

During the year the company paid management fees and reimbursed construction costs and fees of £31,343 (2004 £350,000) to The Miller Group Limited and £502 (2004 £350,000) to Iliad Group Limited. At the year end £52,717 (2004 £93,372) and £49,136 (2004 £62,640) was owed to The Miller Group Limited and Iliad Group Limited respectively

During the year the company paid fees to Andrew Louis Consultant Partnership of £nil (2004 £34,177)