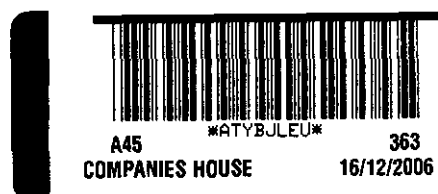


TRADE CITY DIDCOT LIMITED

COMPANY REGISTRATION NUMBER 4217618

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006



TRADE CITY DIDCOT LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 30 June 2006.

1 Principal activities

The principal activity of the company is property development.

2 Results and dividends

	2006	2005
	£	£
The profit/(loss) for the year after taxation dealt with in the financial statements is	<u>2,040</u>	<u>(4,200)</u>

The directors do not recommend the payment of a dividend (30 June 2005: £ nil).

3 Directors

The directors of the Company during the year were:-

R J Duncombe	
J P Lambert	Resigned 18 August 2005
R W Simkin BSc MRTPI	
N Turner	
A N H White	Appointed 8 March 2006
I P Woods FCA	

The Articles of Association of the Company provide for the indemnification of its directors out of the assets of the Company in the event that they suffer any loss or liability in the execution of their duties as directors. The Company has insurance in favour of its directors and officers in respect of certain losses or liabilities to which they may be exposed due to their office.

4 Directors' interests

The directors had no interest in the share capital of the Company at any time during the year to 30 June 2006 or to the date of signing of these accounts.

5 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.

TRADE CITY DIDCOT LIMITED

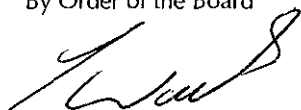
DIRECTORS' REPORT (continued)

6 Auditor

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Pursuant to an elective resolution of the shareholders dated 5 October 2001, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By Order of the Board



I P Woods
Secretary
13 September 2006

Tempsford Hall
Sandy
Bedfordshire SG19 2BD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRADE CITY DIDCOT LIMITED

We have audited the financial statements of Trade City Didcot Limited for the year ended 30 June 2006 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

As described in the Statement of Directors' Responsibilities on page 1, 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 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 30 June 2006 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 Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

13 September 2006

TRADE CITY DIDCOT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2006

	Notes	2006 £	2005 £
Turnover - continuing operations	2	-	-
Cost of sales		-	-
Gross profit		<u>-</u>	<u>-</u>
Administrative expenses		-	(1)
Operating loss		<u>-</u>	<u>(1)</u>
Net interest receivable/(payable)	3	3	(5,999)
Profit/(loss) on ordinary activities before taxation	2	<u>3</u>	<u>(6,000)</u>
Taxation on profit/(loss) on ordinary activities	5	2,037	1,800
Profit/(loss) on ordinary activities after taxation and profit/(loss) for the financial year	9	<u>2,040</u>	<u>(4,200)</u>

The above results have all been derived from continuing operations.

There are no recognised gains or losses other than the result for the year.

There is no material difference between the result shown and that calculated on a historic cost basis.

The notes on pages 6 to 8 form part of these financial statements.

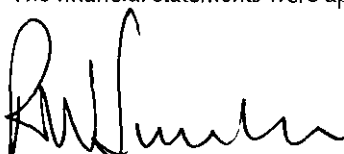
TRADE CITY DIDCOT LIMITED

BALANCE SHEET

At 30 June 2006

	Notes	2006 £	2005 £
Current assets			
Debtors	6	414,299	412,528
Cash at bank and in hand		62	58
		<u>414,361</u>	<u>412,586</u>
Current liabilities			
Creditors - amounts falling due within one year	7	(1,735)	(2,000)
Net assets		<u>412,626</u>	<u>410,586</u>
Equity capital and reserves			
Called up share capital	8	630,001	630,001
Profit and loss account	9	(217,375)	(219,415)
Shareholders' funds	10	<u>412,626</u>	<u>410,586</u>

The financial statements were approved by the Board of Directors on 13 September 2006 and were signed on its behalf by: -



R W Simkin
Director

TRADE CITY DIDCOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of Preparation

The financial statements are prepared under the historical cost convention, on a going concern basis and in accordance with applicable accounting standards.

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

Under FRS1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Turnover

Turnover includes property development and comprises sale proceeds of completed developments, progress payments on pre-sold or pre-funded developments, rental income receivable and invoiced sales in respect of management fees and other services.

Profit

Profits in respect of property developments are taken on unconditional exchange of contracts on disposals of finished developments. Profits taken are subject to any amounts necessary to cover residual commitments relating to development performance. Provision is made for any losses foreseen in completing a development.

Development work in progress

Development land and work in progress is included at cost less any losses foreseen in completing and disposing of the development less any amounts received or receivable as progress payments or part disposals. Where a property is being developed, cost includes cost of acquisition and development to date, including directly attributable fees, expenses and finance charges net of rental or other income attributable to the development. Where development property is not being actively developed, net rental income and finance costs are taken to the profit and loss account.

Deferred taxation

In accordance with FRS19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at expected future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

2 Turnover and result

Turnover is considered by the directors to be a single class of continuing activity. The Company operates principally in the United Kingdom.

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Remuneration of auditors: audit fees	-	-
Audit fees in 2006 and 2005 were paid by other group companies.		
3 Net interest receivable/(payable)		
	2006 £	2005 £
Interest receivable		
On bank deposits	3	5
Interest payable		
On bank overdrafts repayable within five years	-	(6,004)
	<u>3</u>	<u>(5,999)</u>

4 Information relating to directors and employees

The directors did not receive any remuneration during either period.

The company had no employees during either period.

TRADE CITY DIDCOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Taxation

	2006 £	2005 £
(a) Analysis of credit for the year		
Current tax (FRS16)		
UK Corporation Tax on the results for the year	1	(1,800)
Adjustments in respect of previous years	(2,038)	-
	<u>(2,037)</u>	<u>(1,800)</u>
(b) Factors affecting tax credit for the year		
Profit/(loss) on ordinary activities before tax	3	(6,000)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	1	(1,800)
Effects of:		
Adjustments to tax charge of previous years	(2,038)	-
Total current tax	<u>(2,038)</u>	<u>(1,800)</u>
(c) Factors that may change future tax charges		
The Company is not aware of any significant factors that may affect future tax charges.		

6 Debtors

	2006 £	2005 £
Amounts due from other group undertakings	410,338	410,605
Corporation tax	3,961	1,923
	<u>414,299</u>	<u>412,528</u>

7 Creditors

	2006 £	2005 £
<u>Amounts falling due within one year</u>		
Amounts due to other group undertakings	235	-
Other creditors	1,500	2,000
	<u>1,735</u>	<u>2,000</u>

8 Called up share capital

	2006 £	2005 £
Ordinary shares of £1 each:		
Authorised	650,000	650,000
Allotted, called up and fully paid	<u>630,001</u>	<u>630,001</u>

9 Profit and loss account

	2006 £	2005 £
At beginning of year	(219,415)	(215,215)
Profit/(loss) for the financial year	2,040	(4,200)
At end of year	<u>(217,375)</u>	<u>(219,415)</u>

TRADE CITY DIDCOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 Shareholders' funds

2006	2005
£	£

The following is a reconciliation of movement in shareholders' funds:

Profit/(loss) for the financial year	2,040	(4,200)
Shareholders' funds at beginning of year	410,586	414,786
Shareholders' funds at end of year	412,626	410,586

11 Contingent liabilities

The Company and other companies of the Kier Developments Limited group are parties to cross guarantees in respect of the group's banking arrangements.

12 Related party transactions

As a greater than 90% subsidiary of Kier Developments Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8, not to provide information on related party transactions with other undertakings within the Kier Developments Limited group. Note 13 gives details of how to obtain a copy of the published financial statements of Kier Developments Limited. There are no other related party transactions.

13 Ultimate holding company

The Company is a wholly owned subsidiary of Trade City Limited.

The Company's ultimate parent company is Kier Developments Limited, a company registered in England and Wales. Copies of the consolidated accounts of Kier Developments Limited are filed with Companies House, Crown Way, Cardiff where they are available to the public.

Kier Developments Limited is a joint venture held 50% by Kier Property Limited (registered in England and Wales) and 50% by Uberior Ventures Limited (registered in Scotland).