

George Wimpey East Midlands Limited

Directors' Report And Financial Statements

31 December 2002

Registration: 3428547



George Wimpey East Midlands Limited

Directors' Report

The directors present their report and the audited accounts for the year ended 31 December 2002.

Principal Activities

The company had no trading activity during the period other than acting as undisclosed agent for George Wimpey UK Limited a fellow subsidiary of the George Wimpey Plc Group and as a result no profit and loss account is shown.

Dividends

The Directors do not recommend the payment of a final dividend.

Directors

The directors who held office during the year are given below:

K M Cushen
D J Beeston
M Diffin
S W Farmer
R C Gilbert
B J Hibbert
M C Czerniuk (appointed 18/02/2002)

The interests of K M Cushen, who is also a director of the ultimate parent company, George Wimpey Plc, is shown in the annual report of that company.

The interests of the directors, who are not directors of the ultimate parent company, in the shares of the ultimate parent company, are shown below:

	Ordinary Shares		Options over Ordinary Shares				
	31 Dec 2002	1 Jan 2002*	31 Dec 2002	Granted	Exercised	Lapsed	1 Jan 2002*
D J Beeston	4,284	2,266	8,952	7,550	2,018	-	3
M Diffin	3,119	3,119	92,713	16,781	-	-	75
S W Farmer	3,324	2,227	23,004	10,160	1,760	-	14
R C Gilbert	1,412	1,412	17,023	9,375	-	-	7
B J Hibbert	5,458	1,516	21,508	10,155	3,942	-	15
M Z Czerniuk	-	-	7,886	7,886	-	-	-

* Or on appointment

George Wimpey East Midlands Limited

Directors' Report (continued)

Details of shares exercised during the year are:

Director	No. Shares Exercised	Option Scheme	Date of Exercise	Exercise Price	Market Price at Date of exercise
D J Beeston	2,018	1993 SAYE			
S W Farmer	1,760	1993 SAYE			
B J Hibbert	3,942	1993 SAYE			

All the interests were held beneficially.

The options were granted under the terms of the ultimate parent company's savings related and executive share option schemes.

Interests of the directors who are directors of the parent company are shown in that company's financial statements.

No director was materially interested during the year in any contract that was significant in relation to the business of the company.

Directors' responsibilities

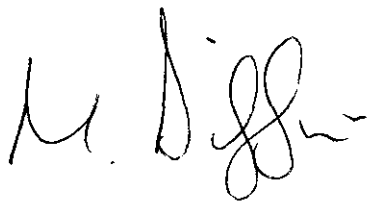
The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements are prepared in accordance with relevant applicable accounting standards and on a going concern basis. The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

Registered auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 29 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

The company has previously passed an elective resolution under Section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually.

By order of the board



Director
19th September 2003

George Wimpey East Midlands Limited

Independent auditors' report to the members of George Wimpey East Midlands Limited

We have audited the financial statements on pages 4 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 31st December 2002 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

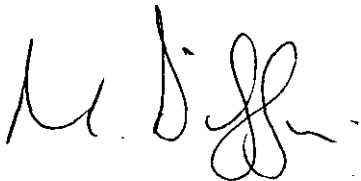
19 September 2003

George Wimpey East Midlands Limited

**Balance Sheet
At 31 December 2002**

	Note	2002 £	2001 £
Current Assets			
Debtors receivable within one year	3	<u>1</u>	<u>1</u>
Net Assets		<u>1</u>	<u>1</u>
Represented by:			
Capital and reserves			
Called up share capital	4	<u>1</u>	<u>1</u>
Equity shareholders' funds		<u>1</u>	<u>1</u>

The Financial Statements on pages 4 to 5 were approved by the board on 19th September 2003 and were signed on its behalf by:



Director

George Wimpey East Midlands Limited

Notes on the Financial Statements

For the period ended 31 December 2002

1 Accounting Policies

The Financial Statements are prepared on the historical cost basis of accounting and have been drawn up in accordance with applicable accounting standards in the United Kingdom.

2 Ultimate Parent Company

The company's ultimate parent company is George Wimpey Plc, a company incorporated in England and Wales. The audit fee has been borne by a fellow subsidiary undertaking. Financial Statements of George Wimpey Plc may be obtained from the Company Secretary at 22 Carlisle Place, Victoria, London, SW1P 1JA.

	2002 £	2001 £
3 Debtors		
Called up share capital not paid	<u>1</u>	<u>1</u>
Amounts due from group undertakings are Unsecured, interest free and have no fixed Repayment date.		

4 Share Capital

Authorised 100 Ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up 1 share at £1	<u>1</u>	<u>1</u>

5 Indemnity

The company had no activity in the year other than acting as an undisclosed agent for George Wimpey UK Limited, a fellow subsidiary of George Wimpey Plc Group.

As a result, George Wimpey UK Limited has given an indemnity to the company under which it will meet all past, present and future liabilities that may arise.