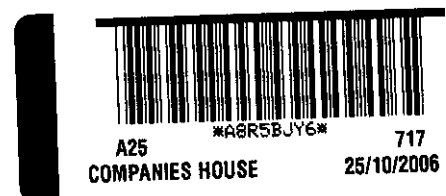


GWNW CITY DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2005

Registration: England 5474072



GWNW CITY DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors present their report and the audited financial statements of the company for the period from incorporation on 7 June 2005 to 31 December 2005.

PRINCIPAL ACTIVITY

The company did not trade in the year. The only activity of the company at present and for the foreseeable future is that of a holding company.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year are given below. None of the directors had a beneficial interest in the shares of the Company. P T Redfern resigned as a director on 31st March 2006. I Sutcliffe was appointed as a director on 31st March 2006. I Sutcliffe and Andrew Carr-Locke resigned as Directors on 26 September 2006. R Peacock and M Southcombe were appointed as Directors on 26 September 2006.

A C P Carr-Locke (appointed 21/07/2005)

G Dodds (appointed 21/07/2005)

S B Eighteen (appointed 29/07/2005)

A Farnell (appointed 29/07/2005)

N S J Moy (appointed 29/07/2005)

P T Redfern (appointed 21/07/2005)

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

GWNW CITY DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

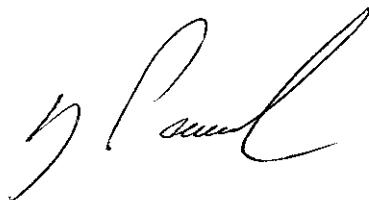
The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered Auditors

A resolution to re-appoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the forthcoming Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

By order of the board



R Peacock
Director
5 October 2006

GWNW CITY DEVELOPMENTS LIMITED

Independent auditors' report to the members of GWNW City Developments Limited

We have audited the accounts of GWNW City Developments Limited for the period ended 31 December 2005 which comprise the Balance Sheet, the Cash flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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 accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

19 October 2006 .

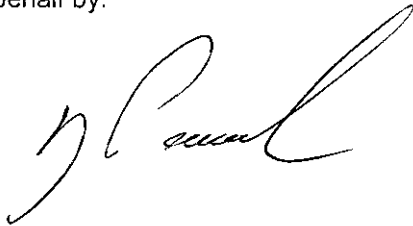
GWNW CITY DEVELOPMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005 £'000
Fixed Assets		
Investment in subsidiary undertaking	3	900
Net Assets		<u>900</u>
 Represented By:		
Capital and Reserves		
Called up share capital	4	900
Equity Shareholders' Funds		<u>900</u>

The accounts on pages 4 to 7 were approved by the board of directors on 5 October 2006 and were signed on its behalf by:

R Peacock
Director



GWNW CITY DEVELOPMENTS LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

	2005 £'000
Net cash from operating activities	-
Capital expenditure and financial investment	
Investment in subsidiary undertaking	(900)
Financing	
Net proceeds from issue of ordinary share capital	900
Net increase in cash	-
Net cash at start of period	-
Net cash at end of period	-

GWNW CITY DEVELOPMENTS LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. Accounting Policies

Basis Of Preparation

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

Investments in subsidiary undertakings

Investments in subsidiary undertakings are accounted for at cost less any provision for impairment.

2. Parent Company

Auditors' remuneration has been borne by the Joint Venture Partners.

Directors' remuneration paid by the Company in the year amounted to Nil. All directors' remuneration is borne by the Joint Venture Partners.

The Company is a joint venture, equally owned by George Wimpey UK Limited and Natwest Property Investments Limited, therefore there is no ultimate or controlling party.

3. Investments

	Shares £
Investments in subsidiary undertakings	
Net book value at 7 June 2005	-
Acquisitions	900,000
Net book value at 31 December 2005	<u>900,000</u>

The company's subsidiary undertaking is shown below:

Name of Company	Country of Incorporation	Description of Shares Held	Proportion Held
Falcon Wharf Limited	England & Wales	Ordinary	100%

The subsidiary company is undertaking the development of Falcon Wharf in Battersea, London. The company has its year end on 31 December.

GWNW CITY DEVELOPMENTS LIMITED

4. Share Capital

	2005 £
Authorised:	
450,000 ordinary 'A' shares of £1 each	450,000
450,000 ordinary 'B' shares of £1 each	450,000
	<u>900,000</u>
Allotted, called up and fully paid:	
450,000 ordinary 'A' shares of £1 each	450,000
450,000 ordinary 'B' shares of £1 each	450,000
	<u>900,000</u>

On incorporation, nine hundred thousand shares with a nominal value of £1 each were issued for cash. Proceeds of £900,000 were received.