

McLEAN HOMES NORTH EAST LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

31 DECEMBER 1999

REGISTRATION 2786677



McLean Homes North East Limited
Directors' Report

Directors: K M Cushen
B H Fellows
T D A Nixon
D M Price
C Sayers
B Waite

Secretary: S E Bort

The directors present their report and the audited accounts for the year ended 31 December 1999.

Principle Activities

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

Directors

No director held any beneficial interest in the shares of the company at 1 January 1999 or 31 December 1999

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				1 Jan 1999
	31 Dec 1999	1 Jan 1999	31 Dec 1999	Granted	Exercised	Lapsed	
K M Cushen	12,414	9,685	206,761	8,032	-	-	198,729
B H Fellows	1,240	1,240	-	-	-	-	-
T D A Nixon	1,096	1,096	13,675	5,273	-	-	8,402
C Sayers	1,461	1,461	13,237	-	-	-	13,237
B Waite	3,076	3,076	16,586	-	-	-	16,586
D M Price	2,769	2,769	16,586	-	-	-	16,586

All the interests were held beneficially.

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

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 which was significant in relation to the business of the company.

McLean Homes North East Limited
Directors' Report

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 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.

Creditor Payments Policy

Our policy and practice is to agree the terms and conditions for business transactions with suppliers and sub-contractors. Payment is generally made on this basis subject to terms and conditions being met by the suppliers and sub-contractors. Creditors of McLean Homes North East Limited are paid centrally within the Wimpey Group.

Year 2000

The Company is part of the George Wimpey PLC group's Year 2000 programme. No significant problems relating to the Year 2000 issue have been experienced to date. The Company's cost of the programme to ensure Year 2000 compliance was £nil and no further costs are expected.

Auditors

The company's auditors are PricewaterhouseCoopers. 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



S E Bort
Secretary
22 February 2000

McLean Homes North East Limited**Auditor's report to the members of McLean Homes North East Limited**

We have audited the financial statements on pages 4 to 6 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 are responsible for preparing the Directors' Report and Financial Statements. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 Directors' Report and Financial Statements 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 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.

**PricewaterhouseCoopers****Chartered Accountants and Registered Auditors****London****22 February 2000**

McLean Homes North East Limited
Balance Sheet
As at 31 December 1999

		1999	1998
	Note	£	£
Current assets			
Debtors receivable after more than one year	3	2	2
Net assets		<u>2</u>	<u>2</u>
Represented by:			
Capital and reserves			
Called-up share capital	4	2	2
Equity shareholders' funds		<u>2</u>	<u>2</u>

The financial statements appearing on pages 4 to 6 were approved by the board on 22 February 2000 and signed on its behalf by:



K M Cushen
 Director

McLean Homes North East Limited
Notes on the Financial Statements

1. **Accounting Policies**

Basis of preparation

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.

Related Party Transactions

The Company has taken advantage of the exemption provided by Financial Reporting Standard 8 for subsidiary undertakings of which 90% or more of the voting rights are controlled within the group of the ultimate parent which publishes its consolidated financial statements. For copies of this group's consolidated financial statements, refer to note 2.

2. **Parent company**

The company's ultimate parent company is George Wimpey PLC, which is 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 3 Shortlands, London W6 8EZ.

3. **Debtors**

Receivable after more than one year:
- amounts owed by parent undertaking

1999 £	1998 £
2	2

4. **Share Capital**

Ordinary shares of £1 each

Authorised, allotted, called-up

and fully paid

Number of Shares		£	
1999	1998	1999	1998
100	100	100	100
2	2	2	2

McLean Homes North East
Notes on the Financial Statements

5. Indemnity

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

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