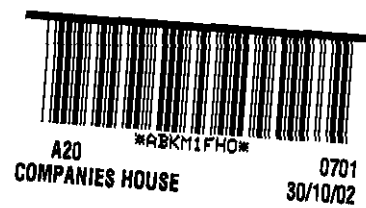


**George Wimpey North East Limited**  
**Formerly Mclean Homes North East Limited**

**Directors' Report & Financial Statements**

**31 December 2001**

**Registration 2786677**



**GEORGE WIMPEY NORTH EAST LIMITED**  
**FORMERLY McLEAN HOMES NORTH EAST LIMITED**

**Directors' Report**

<b>Directors:</b>	K M Cushen	
	B H Fellows	
	T D A Nixon	
	D M Price	(resigned 31/12/2001)
	C Sayers	
	B Waite	
	G J Davies	(appointed 1/10/2001)
	S Davison	(appointed 2/4/2001)

The directors present their report and the audited accounts for the year ended 31 December 2001.

**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.

**Change of Name**

The company name changed from McLean Homes North East Limited to George Wimpey North East Limited on 2<sup>nd</sup> January 2002.

**Dividends**

The Directors do not recommend the payment of a final dividend (2000 £nil).

**Directors**

No director held any beneficial interest in the shares of the company at 1 January 2001 or 31 December 2001.

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 Share		Options over Ordinary Share			
	31 Dec 2001	1 Jan 2001*	31 Dec 2002	Granted	Exercised	1 Jan 2001*
B H Fellows	1,612	1,240	-	-	-	-
T D A Nixon	4,067	2,331	17,126	1,298	1,990	17,818
D M Price	26,077	2,769	55,124	25,552	16,586	46,158
C Sayers	1,899	1,461	13,237	-	-	13,237
B Waite	9,190	4,385	6,209	6,209	16,586	16,586
G J Davies	-	-	4,326	-	3,980	8,306
S Davison	17,949	-	-	16,586	16,586	-

\* Or on appointment

**GEORGE WIMPEY NORTH EAST LIMITED**  
**FORMERLY McLEAN HOMES NORTH EAST LIMITED**

**Directors' Report (continued)**

All the interests were held beneficially.

Director	No. Shares Exercised	Option Scheme	Date of Exercise	Exercise Price	Market Price at Date of exercise
D M Price	16,586	1993 SAYE	3 December 2001	£1.04	£1.83
B Waite	16,586	1993 SAYE	12 December 2001	£1.04	£1.96
G J Davies	3,980	1993 SAYE	3 December 2001	£1.04	£1.83
S Davison	16,586	1993 SAYE	21 December 2001	£1.04	£2.11
T D A Nixon	1,990	1993 SAYE Scheme	24 December 2001	£1.04	£2.11

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 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 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.

**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



K M Cushen  
 Director

19<sup>th</sup> September 2002

**GEORGE WIMPEY NORTH EAST LIMITED**  
**FORMERLY McLEAN HOMES NORTH EAST LIMITED**

**Independent auditors' report to the members of George Wimpey North East 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.

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.

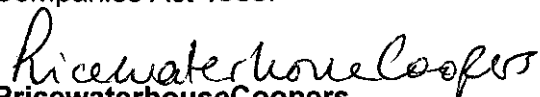
**Basis of audit opinion**

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 affairs of the company as at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**London**  
**19<sup>th</sup> September 2002**

**GEORGE WIMPEY NORTH EAST LIMITED**  
**FORMERLY McLEAN HOMES NORTH EAST LIMITED**

**Balance Sheet**  
**As at 31 December 2001**

		<b>2001</b>	<b>2000</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>			
Debtors receivable after more than one year	3	2	2
<b>Net assets</b>		<u>2</u>	<u>2</u>
Represented by:			
<b>Capital and reserves</b>			
Called-up share capital	4	2	2
<b>Equity shareholders' funds</b>		<u>2</u>	<u>2</u>

The financial statements appearing on pages 4 to 6 were approved by the board on 19<sup>th</sup> September 2002 and signed on its behalf by:



K M Cushen  
Director

**GEORGE WIMPEY NORTH EAST LIMITED**  
**FORMERLY 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 22 Carlisle Place, Victoria, London, SW1P 1JA.

**3. Debtors**

	2001 £	2000 £
Receivable after more than one year: - amounts owed by parent undertaking	2	2

Amounts due from group undertakings are unsecured, interest free and have no fixed repayment date.

**4. Share Capital**

	Number of Shares		£	
	2001	2000	2001	2000
Ordinary shares of £1 each				
Authorised, allotted, called-up	100	100	100	100
and fully paid	2	2	2	2

**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.