

McLean Homes Midland Limited

Directors' Report And Accounts

31 December 1998

Registration: London 2786679



McLean Homes Midland Limited

Directors: P L Allen
K M Cushen
J Gainham
J Gear

Secretary: S E Bort

Report Of Directors

The directors present their report and the accounts for the period ended 31 December 1998.

The company had no trading activity in the year other than acting as undisclosed agent for McLean Homes Holdings Limited a fellow subsidiary of the George Wimpey PLC Group 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 1998 or 31 December 1998.

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 1998	1 Jan 98	31 Dec 98	1 Jan 98
P L Allen	1,888	-	16,586	16,586
K M Cushen	9,685	5,837	198,729	198,729
J Gainham	1,124	-	9,951	9,951
J Gear	-	-	6,634	6,634

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

No director was materially interested during the year in any contract which was significant in relation to the 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.

McLean Homes Midland Limited

Year 2000

The company is on course with its programme to ensure that its systems and procedures are Year 2000 compliant by the Spring of 1999. The cost of the programme is not material as recent investment in new systems and hardware will have ensured that the necessary standard will be met.

Auditors

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July, following which Coopers & Lybrand resigned and the directors appointed the new firm PricewaterhouseCoopers as auditors. A resolution to appoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'SE Bort', written in a cursive style.

S E Bort
Secretary

19 February 1999

McLean Homes Midland Limited

Auditor's Report

To the members of McLean Homes Midland Limited

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

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established 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 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 Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

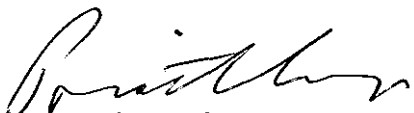
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements 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 of the state of affairs of the company as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

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February 1999

McLean Homes Midland Limited

Balance Sheet

At 31 December 1998

	Note	1998 £	1997 £
Current Assets			
Debtors receivable within one year	3	<u>2</u>	<u>2</u>
Equity shareholders' funds		<u>2</u>	<u>2</u>
Represented by:			
Capital and reserves			
Called - up share capital	4	<u>2</u>	<u>2</u>
		<u>2</u>	<u>2</u>

The accounts on pages 4 to 5 were approved by the board on 19 February 1999 and were signed on its behalf by:



K M Cushen
Director

McLean Homes Midland Limited

Notes To The Accounts

For The period ended 31 December 1998

1 Accounting Policies

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.

2 Ultimate Parent Company

The company's ultimate parent company is George Wimpey PLC, a company incorporated in England and Wales. Accounts of George Wimpey PLC may be obtained from the Company Secretary at 3 Shortlands London W6 8EZ.

	1998 £	1997 £
3 Debtors receivable within one year		
Called up share capital not paid	<u>2</u>	<u>2</u>
4 Share Capital		
Authorised 100 Ordinary shares at £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 shares at £1 each	<u>2</u>	<u>2</u>

5 Indemnity

The assets and liabilities of the company were transferred to McLean Homes Holdings Limited with effect from 1 January 1998. As a result the company had no activity in the year other than acting as undisclosed agent for McLean Homes Holdings Limited a fellow subsidiary of George Wimpey PLC Group.

As a result of this transaction 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.