

Company Number 32311

Home Brewery plc
Report & Accounts
31 December 2005



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Home Brewery plc**Company Number 32311****Directors' Report**

The directors submit their report and the audited accounts for the year 31 December 2004 to 31 December 2005.

Principal Activity and Future Developments

With effect from the close of business on 3 May 1987, all the trade, assets and liabilities of the Company were transferred to Scottish & Newcastle plc.

The Company has not traded during the year and has made neither a profit nor a loss. Therefore no Profit or Loss Account is attached. The directors do not foresee any significant change in the nature of the Company status.

Directors

The following served as directors during the year:-

	Appointed	Resigned
A Dick	6 September 2005	
GGM Izatt		
J Laurie		6 September 2005
M Stevens		

In accordance with the articles of association, and Mr Dick retires and, being eligible, offers himself for re-election.

The Directors' interests in shares of Scottish & Newcastle plc (including options granted under the terms of the United Kingdom employee share schemes to subscribe for ordinary shares) at 31 December 2005 and 31 December 2004 were as follows:

	31 December 2005		31 December 2004	
	Shares	Options	Shares	Options
A Dick	5,251	20,645	-	-
G G M Izatt	35,113	36,844	33,143	122,230
M Stevens	3,493	2,588	2,819	-

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By Order of the Board,



M Stevens

Secretary

28 July 2006

Statement of Directors' Responsibilities in Respect of the Accounts

Company law requires the Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those Accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOME BREWERY PLC

We have audited the company's financial statements for the year 31 December 2004 to 31 December 2005 which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company 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.

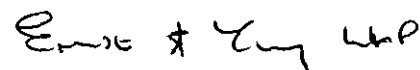
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (U.K. 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 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

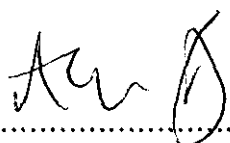
In our opinion the financial statements give a true and fair view, in accordance with United Kingdom accounting standards of the state of affairs of the company as at 31 December 2005 and of its result for the year then ended.


Ernst & Young LLP
Registered Auditor
Edinburgh

28 July 2006

Home Brewery plc**Company Number 32311****Balance Sheet**

	31 December 2005	31 December 2004
<u>Current Assets</u>	£	£
Debtors: Amounts owed by parent undertaking	<u>5,980,829</u>	<u>5,980,829</u>
<u>Capital and Reserves</u>		
Called up Share Capital	5,980,800	5,980,800
Profit & Loss account	<u>29</u>	<u>29</u>
	5,980,829	5,980,829
Shareholder Funds:		
Equity	4,500,029	4,500,029
Non-Equity	<u>1,480,800</u>	<u>1,480,800</u>
	<u>5,980,829</u>	<u>5,980,829</u>



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A Dick
Director

28 July 2006

Notes to the Accounts at 31 December 2005

1. These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
2. The Share Capital is as follows:-

Authorised	31 December 2005 £	31 December 2004 £
<u>Equity Share Capital</u>		
Ordinary Shares of 25p each	4,325,000	4,325,000
"S" Ordinary Shares of 25p each	<u>375,000</u>	<u>375,000</u>
	4,700,000	4,700,000
<u>Non-Equity Share Capital</u>		
Cumulative Preference Shares	<u>1,800,000</u>	<u>1,800,000</u>
Total	<u>6,500,000</u>	<u>6,500,000</u>

Issued and Fully Paid

	31 December 2005	31 December 2004
<u>Equity Share Capital</u>		
Ordinary Shares of 25p each	4,125,000	4,125,000
"S" Ordinary Shares of 25p each	<u>375,000</u>	<u>375,000</u>
	4,500,000	4,500,000
<u>Non-Equity Share Capital</u>		
Cumulative Preference Shares	<u>1,480,800</u>	<u>1,480,800</u>
Total	<u>5,980,800</u>	<u>5,980,800</u>

"S" Ordinary Shares and Ordinary Shares

The "S" Ordinary Shares rank *pari passu* with Ordinary Shares except that the holder of such "S" Ordinary Shares shall be entitled on a poll to 5 votes for each such share held.

Cumulative Preference Shares

The shares are 4.025% (net of tax) Cumulative Preference Shares and confer on the holder priority in the payment of dividends and repayment of capital. The dividends are at the fixed rate indicated. On a winding up the holders are entitled to a repayment of the amount paid up on their shares. The holders of Preference Shares are not normally entitled to attend or vote at general meetings of the Company, unless the Preference dividends are six months in arrears or if a resolution is to be proposed which affects the rights of the Preference Shares.

3. Audit Remuneration

Fees in respect of services provided by the auditors for statutory audit of the company and other services were borne by the company's parent undertaking.

4. Remuneration of Directors

No directors received emoluments from the company during either year.

5. During the year 31 December 2004 to 31 December 2005, Preference Dividend of £59,602 has been waived by Scottish & Newcastle plc. During the period 31 December 2003 to 31 December 2004, Preference Dividend £59,602 was similarly waived.
6. The ultimate parent undertaking is Scottish & Newcastle plc, a company registered in Scotland. Copies of the accounts of Scottish & Newcastle plc can be obtained from 28 St Andrew Square, Edinburgh, EH2 1AF.
7. The Company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.