

Directors' Report for the Year to 31 December 2006

The accounts for the year are attached.

The company has been appointed as agent for Scottish Courage Ltd. The company has not traded on its own account during the year and accordingly it has made neither a profit nor a loss. No Profit and Loss Account has therefore been prepared.


The following served as Directors during (and, unless otherwise indicated, throughout) the year:

	<i>Appointed</i>	<i>Resigned</i>
L Alford		
N Anderson		
D I Ashcroft		
K A Hogg		
I M Norman		
J Parker		
D C Slater		
AP Stanger		
C Tedford	29/05/2006	

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 2006 and 31 December 2005 were as follows.

	31 December 2006		31 December 2005	
	<i>Shares</i>	<i>Options</i>	<i>Shares</i>	<i>Options</i>
L Alford	2,710	2,772	2,051	2,772
N Anderson	2,435	2,734	1,868	44,763
D I Ashcroft	2,070	2,780	1,522	961
K A Hogg	18,144	288,532	14,045	51,030
I M Norman	7,079	28,132	7,079	28,132
J Parker	2,218	1,035	2,218	1,035
D C Slater	6,080	-	3,402	2,005
A P Stanger	2,328	2,588	5,320	2,588
C Tedford	-	-	-	-

By Order of the Board



 M Stevens, Secretary
 28 October 2007

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COMPANIES HOUSE

Balance Sheet as at 31 December 2006

	<i>31 December 2006</i> £	<i>31 December 2005</i> £
CURRENT ASSETS		
DEBTORS - Amounts due by Scottish & Newcastle plc	100	100
NET ASSETS	<u>100</u>	<u>100</u>
CAPITAL AND RESERVES		
Share Capital - See note 2	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

For the year ended 31 December 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for

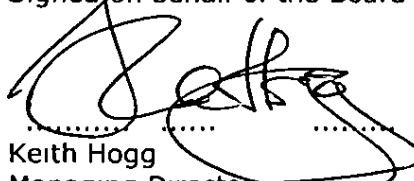
- a) Ensuring the company keeps accounting records which comply with section 221,
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Notes to the Accounts

1. The ultimate holding company is Scottish & Newcastle plc, a company incorporated in Scotland
2. The detail of the Share Capital is as follows

	<i>31 December 2006</i>	<i>31 December 2005</i>
Authorised 10,000 Ordinary Shares of £1	10,000	10,000
Allotted, called up and 100 Ordinary Shares of £1 fully paid	100	100

Signed on behalf of the Board



Keith Hogg
Managing Director

31 October 2007