

Directors' Report for the Year Ended 28 April 2002

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> |
|------------------|-------------------------|------------------------|
| R J W Alexander | | 03/12/01 |
| P Cook | | |
| A E Corstorphine | | |
| G G Dickson | | 30/12/02 |
| D J Edwards | 04/02/02 | |
| I Evans | | 04/02/02 |
| K A Hogg | 12/07/01 | |
| G P H Johncox | | 07/12/01 |
| B A Sharp | | |
| R W L Sylvester | | 04/02/02 |
| R L Tinkler | | |
| J T Townsend | | |

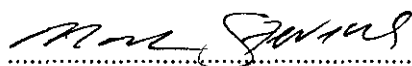
The Directors' interests in shares of Scottish & Newcastle plc (including options granted under the terms of the United Kingdom employee share schemes to subscribe for ordinary shares) at 29 April 2001 (*or appointment, if later) and 28 April 2002 were as follows:

| | <i>28 April 2002</i> | | <i>29 April 2001</i> | |
|------------------|-----------------------------|----------------|-----------------------------|----------------|
| | <i>Shares</i> | <i>Options</i> | <i>Shares</i> | <i>Options</i> |
| P Cook | 1,274 | 35,826 | 1,528 | 28,378 |
| A E Corstorphine | 906 | 36,643 | 19,946 | 41,387 |
| D J Edwards * | 3,140 | 34,821 | 3,140 | 34,821 |
| K A Hogg | 2,718 | 90,342 | 2,021 | 71,512 |
| B A Sharp | 3,348 | 56,138 | 3,753 | 49,141 |
| R L Tinkler | 2,371 | - | 616 | 2,283 |
| J T Townsend | 4,363 | 19,668 | 3,263 | 5,192 |

Post Balance Sheet

D.C. Slater, D.J. Ashcroft and A.P. Stanger were appointed to the board on 1 August 2002.

By Order of the Board



M Stevens
Secretary
22 January 2003



Balance Sheet as at 28 April 2002

| | 2002 | 2001 |
|--|-------------|-------------|
| | £ | £ |
| 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 28 April 2002 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:

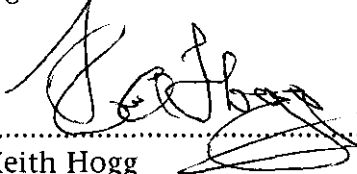
- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year; and of its profit and loss for the financial year in accordance with section 226, and which 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:

| | 2002 | 2001 |
|---|-------------|-------------|
| 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

27 January 2003