

RED CHEEK FINANCE P.L.C.
Reg. No. 2087795

DIRECTORS' REPORT AND ACCOUNTS
for the 8 months ended 31st December, 2003



RED CHEEK FINANCE P.L.C.

REPORT OF THE DIRECTORS for the period ended 31 December 2003.

The directors have pleasure in submitting the audited accounts for the period ended 31 December 2003.

BUSINESS REVIEW

The Company has been dormant within the meaning of section 249AA of the Companies Act 1985 throughout the period. It is anticipated that the company will remain dormant for the foreseeable future.

PROFIT & LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the period under review or the preceding accounting period. There have been no movements in shareholders' funds during the period under review or the preceding accounting period.

The directors do not recommend payment of a dividend (year ended 25 April 2003:none)

DIRECTORS

The directors who held office during the period were:

T J Gregory	(resigned 30 June 2003)
R J Pennycook	(resigned 8 October 2003)
C D Hitchiner	(resigned 8 October 2003)
W G Stebbings	(resigned 8 October 2003)
M Stevens	(appointed 8 October 2003)
Scottish & Newcastle Breweries (Services) Limited	(appointed 8 October 2003)

DIRECTORS' INTERESTS IN SHARES

No director had an interest in the issued shares of the company during the period. The company's ultimate parent company is Scottish & Newcastle PLC and the directors had the following interests in the issued shares of Scottish & Newcastle PLC at the dates shown (or date of appointment if later):

		At 31 December 2003	At 25 April 2003
M Stevens	- Ordinary	2,118	1,593
	- Ordinary Options	2,581	2,581

RED CHEEK FINANCE P.L.C.**REPORT OF THE DIRECTORS for the period ended 31 December 2003 (continued)**

The above shareholdings include interests, if any, held by a director as trustee or by a director's wife or infant children.

No share options were granted or exercised during the period.

Save as disclosed above, none of the directors held shares in the company's ultimate parent company or in subsidiaries of the company's ultimate parent company.

By Order of the Board



M Stevens
Secretary

6 August 2004

Ashby House
1 Bridge Street
Staines
TW18 4TP

RED CHEEK FINANCE P.L.C.**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RED CHEEK FINANCE P.L.C.

BALANCE SHEET AT 31ST DECEMBER, 2003

	31 st December, 2003 £	25th April, 2003 £
Current assets		
Debtors: amounts falling due within one year		
Amounts owed by fellow subsidiary	108,278	108,278
Financed by:		
Capital and reserves		
Called up share capital (Note 3)	50,000	50,000
Profit and loss account	58,278	58,278
Equity shareholders' funds	108,278	108,278

Directors' Statements

The annual accounts have not been audited because the company is entitled to the exemption under section 249A(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit or loss for the financial period, in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The unaudited balance sheet and notes on pages 4 to 5 were approved by the board of directors on 6 August 2004 and signed on its behalf by:



Director

The accompanying notes are an integral part of this balance sheet.

RED CHEEK FINANCE P.L.C.
NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Financial Years

The Company's year end has been changed to 31st December.

In previous years, the financial years of the company comprised either 52 or 53 weeks ending on the last Friday in April of each year.

Accounting Basis

These accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The accounts do not include a cash flow statement, as these accounts are included within the consolidated accounts of Scottish & Newcastle plc.

2 PROFIT AND LOSS

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the period under review or the preceding accounting period. There have been no movements in shareholders' funds during the period under review or the preceding accounting period. The company had no employees during the year and no director received any remuneration in respect of their services to the company. The audit fee was borne by Scottish & Newcastle plc on behalf of the company.

3 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid		
- 50,000 ordinary shares of £1 each	50,000	50,000
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4 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Scottish & Newcastle plc, a company incorporated in Great Britain. At the balance sheet date, the directors regard Scottish & Newcastle plc as the ultimate parent company and the ultimate controlling party.

Scottish & Newcastle plc is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from the registered office of Scottish & Newcastle plc, 33 Ellersly Road, Edinburgh, EH12 6HX. The company has not disclosed related party transactions with group companies, as permitted by Financial Reporting Standard 8, as it is a wholly owned subsidiary of Scottish & Newcastle plc.