

Directors' Report for the Year Ended 27 April 2003

The accounts for the year are attached.

The company has not traded during the year and accordingly it has made neither a profit nor a loss. No Profit or 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>
M Stevens		
Scottish & Newcastle Breweries (Services) Ltd		

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 28 April 2002 and 27 April 2003 were as follows:

	<i>27 April 2003</i>		<i>28 April 2002</i>	
	<i>Shares</i>	<i>Options</i>	<i>Shares</i>	<i>Options</i>
M Stevens	1,593	2,581	896	2,278
Scottish & Newcastle Breweries (Services) Ltd	-	-	-	-

By Order of the Board



M Stevens
Secretary
15 May 2003



The Waverley Group Limited**Company Number: SC37458****Balance Sheet as at 27 April 2003**

	Note	2003 £	2002 £
ASSETS EMPLOYED			
Fixed Assets, Investments	1	45,206	45,206
Current Assets, Debtors	2	20,010	20,010
Creditors: amounts falling due within one year	3	(45,206)	(45,206)
Total assets less current liabilities		<u>20,010</u>	<u>20,010</u>
CAPITAL AND RESERVES			
Called up Share Capital			
Authorised, Allotted, Issued and Fully Paid:			
10,000 Ordinary Shares of £1 each		10,000	10,000
Profit and Loss Account		10,010	10,010
		<u>20,010</u>	<u>20,010</u>

For the year ended 27 April 2003 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:

- Ensuring the company keeps accounting records which comply with section 221;
- 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

The notes on page 3 form part of these accounts.

Signed on behalf of the Board



M Stevens

Director

Edinburgh

15 May 2003

The Waverley Group Limited**Company Number: SC37458**Notes to the Accounts

1. Investments in Subsidiaries

Name of Subsidiary Co.	Registration/ Incorporation	Class of Shares Held	Proportion
Fergus McIvor Ltd	England	Ordinary	100%
Peter Thomson (Agencies) Ltd	Scotland	Ordinary	100%
Peter Thomson (Perth) Ltd	Scotland	Ordinary	100%
Scottish & Newcastle International Limited	Scotland	Ordinary	100%
Scottish & Newcastle Pub Enterprises Limited	England	Ordinary	100%
Waverley International Ltd	Scotland	Ordinary	100%
Waverley Vintners (Agencies) Ltd	England	Ordinary	100%
Waverley Vintners Ltd	Scotland	Ordinary	100%

It is the opinion of the Directors that the value of the Company's investments in its subsidiaries is not less than the amount at which they are included in the Balance Sheet.

2. Debtors

	2003	2002
	£	£
Amount due by parent company	20,010	20,010

3. Creditors

	2003	2002
	£	£
Amounts falling due within one year		
Amounts due to subsidiaries of the Waverley Group Ltd:		
Fergus McIvor Ltd	6	6
Peter Thomson (Agencies) Ltd	100	100
Peter Thomson (Perth) Ltd	32,500	32,500
Scottish & Newcastle International Limited	500	500
Scottish & Newcastle Pub Enterprises Limited	1,000	1,000
Waverley International Ltd	10,000	10,000
Waverley Vintners (Agencies) Ltd	1,000	1,000
Waverley Vintners Ltd	100	100
	<u>45,206</u>	<u>45,206</u>

4. The ultimate holding company is Scottish & Newcastle plc, a company incorporated in Great Britain and registered in Scotland.