

Directors' Report for the Year Ended 27/04/97

The accounts for the year are attached.

The company has not traded during the year, has received no income and incurred no expenditure, and consequently has made neither a profit or loss.

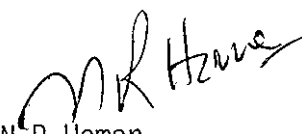
The following served as Directors during (and, unless otherwise indicated, throughout) the year:-

	Appointed	Resigned
N R Homer	29/01/91	
M J Pearey	29/01/91	

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 28/04/96 (or appointment, if later) and at 27/04/97 were as follows:-

	28/04/96		27/04/97	
	Shares	Options	Shares	Options
<u>N R Homer</u>				
20p Ordinary			3469	
20p Ordinary (PS)	1014		419	
20p Ordinary PEP			890	
20p Ordinary SAYE		5466		3165
<u>M J Pearey</u>				
20p Ordinary	12797		10556	
20p Ordinary (PS)	4963		1380	
20p Ordinary PEP	13379		18347	
20p Ordinary Exec		66819		69498
20p Ordinary SAYE		5443		1515

By Order of the Board


N R Homer
Secretary
20/05/97





BALANCE SHEET AS AT 27 APRIL 1997

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
CURRENT ASSETS	-	-
CURRENT LIABILITIES		
Amount due to Scottish & Newcastle plc	<u>1,047</u>	<u>1,047</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>(1,047)</u>	<u>(1,047)</u>
 CAPITAL AND RESERVES		
SHARE CAPITAL		
Authorised Issued & fully paid		
100 Ordinary Shares of £1 each	100	100
PROFIT AND LOSS ACCOUNT	<u>(1,147)</u>	<u>(1,147)</u>
	<u>(1,047)</u>	<u>(1,047)</u>


Note to the Accounts

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

Directors' Statement

The company was dormant, within the meaning of Section 252 of the Companies Act 1985, throughout the year.

Signed on behalf of the Board


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N R Homer Director
20 May 1997