

**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.

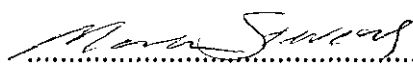
The following served as Directors during (and, unless otherwise indicated, throughout) the year:

	<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:

	<b>27 April 2003</b>		<b>28 April 2002</b>	
	<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  
2 May 2003



**Balance Sheet as at 27 April 2003**

	<b>2003</b> <b>£</b>	<b>2002</b> <b>£</b>
<b>CURRENT ASSETS</b>		
DEBTORS: Amount due from Immediate holding company	530,000	530,000
Total Assets Less Current Liabilities	<u>530,000</u>	<u>530,000</u>
<b>CAPITAL AND RESERVES</b>		
Called Up Share Capital	200,000	200,000
Reserves	<u>330,000</u>	<u>330,000</u>
	<u>530,000</u>	<u>530,000</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:

- 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. Share Capital**

	<b>Authorised</b>		<b>Issued</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Ordinary shares of £1 each	400,000	400,000	-	-
Ordinary stock of £1 each	200,000	200,000	200,000	200,000

The company's assets fall under a floating charge which secures the debenture stocks of its intermediate company, Cleveland Place Holdings PLC.

**2. Holding Companies**

The company is a subsidiary undertaking of Cleveland Place Holdings PLC, a company registered in England. The ultimate holding company is Scottish & Newcastle plc, a company registered in Scotland. The company is also included within the group accounts of Cleveland Place Holdings PLC.

Group accounts for both Cleveland Place Holdings PLC and Scottish & Newcastle plc can be obtained from Scottish & Newcastle plc, 33 Ellersly Road, Edinburgh, EH12 6HX.

Signed on behalf of the board



M Stevens, Director  
Edinburgh, 2 May 2003