

**Scottish & Newcastle Retail Limited**  
**(Formerly known as S&N Pubs and Restaurants Limited)**

**Directors' Report and Accounts**

**27 April 2003**

Registered in England, number 3794854



# **Scottish & Newcastle Retail Limited**

## **Directors' Report and Accounts**

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of Directors' responsibilities in respect of financial statements	3
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the accounts	7

## Scottish & Newcastle Retail Limited

### DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 27 April 2003.

#### Principal activity

The principal activity of the company during the year was the operation of pubs and pub restaurants in the United Kingdom.

#### Financial review

The retained profit for the year amounted to £20.0m (2002 – profit £106.1m). The directors do not recommend the payment of a dividend.

#### Review of operations

In October 2002 the company transferred 313 pubs to another group undertaking for £493m and transferred a further 472 pubs to another group undertaking in March 2003 for £547.8m.

On 28 April 2003 Scottish & Newcastle plc announced that it had decided to pursue actively a sale of the whole of the managed retail business, with completion targeted before the end of 2003. The company forms part of the group's managed retail business.

#### Directors and their interests

The directors who held office during the year were as follows:

R W Crichton  
R L Ivell  
P D Kennerley (resigned 17 January 2003)  
J Laurie (resigned 17 January 2003)  
J S Leslie  
C J Ripper

None of the directors who served during the year had any disclosable interest in the shares of the company.

The directors' interests in the 20p ordinary shares of Scottish & Newcastle plc, (including options granted under the terms of the United Kingdom employee share schemes to subscribe for ordinary shares), were as follows:

	Ordinary shares		Options	
	2003	2002	2003	2002
R W Crichton	14,268	13,636	113,545	62,091
J S Leslie	1,920	616	134,753	81,850
C J Ripper	5,483	5,396	182,257	110,797

R L Ivell was also a director of Scottish & Newcastle plc, which has a 100% interest in S&N Retail Ltd. Accordingly, his interests are disclosed in the accounts of Scottish & Newcastle plc.

#### Movements in option holdings

	Options held at 28 April 2002	Issued during the year	Exercised during the year	Lapsed during the year	Options held at 27 April 2003
R W Crichton	62,091	51,454	-	-	113,545
J S Leslie	81,850	52,903	-	-	134,753
C J Ripper	113,496	70,549	(1,788)	-	182,257

#### Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be submitted at the forthcoming annual general meeting.

## **Scottish & Newcastle Retail Limited**

### **DIRECTORS' REPORT (continued)**

#### **Employee relations and involvement**

The company is firmly committed to the principles of employee involvement. A full range of briefing, consultation and bargaining arrangements have been developed in all parts of the company and these are subject to continuous review and improvement.

The company encourages the involvement of its employees in the performance of the company through the employee share scheme.

#### **Disabled persons**

Full and fair consideration has been given to applications for employment made by disabled persons and appropriate training, career development and promotion have been provided in all cases. Employees who become disabled and unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

#### **Payment of suppliers**

The company agrees terms and conditions with suppliers before business takes place. The company's policy and practice is to pay agreed invoices in accordance with the terms of payment. At the year end the amount owed to trade creditors by the company was equivalent to 27 days (2002 – 33 days) of purchases from suppliers.

By order of the Board



M Stevens  
Secretary

15 September 2003

Lakeside House  
The Lakes  
Northampton  
NN4 7SN

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS**

The Directors are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits for that year. They are also responsible for ensuring that proper and adequate accounting records have been kept and that appropriate procedures have been followed for safeguarding Company assets and preventing and detecting fraud and other irregularities. Appropriate accounting policies which follow generally accepted accounting practice have been applied consistently in the preparation of the financial statements and reasonable and prudent judgements and estimates have been made. The financial statements have been prepared on a going concern basis.

## **Scottish & Newcastle Retail Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S&N RETAIL LIMITED**

We have audited the company's financial statements for the year ended 27 April 2003 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 27 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*  
Ernst & Young LLP  
Registered Auditor  
Edinburgh

*15 September 2003*

# **Scottish & Newcastle Retail Limited**

## **Profit and Loss Account for the year ended 27 April 2003**

	<i>Note</i>	<b>2003 £m</b>	<b>2002 as restated £m</b>
<b>Turnover</b>	2	513.8	630.9
Net operating costs	4	(402.8)	(500.0)
<b>Operating profit</b>		111.0	130.9
(Loss)/gain on disposal of fixed assets		(55.9)	4.9
<b>Profit on ordinary activities before interest</b>		55.1	135.8
Net interest receivable	7	0.6	0.1
Dividend income		11.2	11.2
<b>Profit on ordinary activities before taxation</b>		66.9	147.1
Taxation on profit on ordinary activities	8	(46.9)	(41.0)
<b>Profit attributable to ordinary shareholders retained</b>	19	20.0	106.1

## **Statement of total recognised gains and losses For the year ended 27 April 2003**

	<b>2003 £m</b>	<b>2002 £m</b>
Profit for the financial year	20.0	106.1
Prior year adjustment (as explained in note 1)	16.1	
<b>Total recognised gains and losses relating to the year</b>	36.1	

# Scottish & Newcastle Retail Limited

## Balance Sheet At 27 April 2003

	Note	2003 £m	£m	2002 as restated £m	£m
<b>Fixed assets</b>					
Intangible assets	9		-		162.5
Tangible assets	10		487.6		1,343.5
Investments	11		168.6		166.4
			<u>656.2</u>		<u>1,672.4</u>
<b>Current assets</b>					
Stocks	12	0.6		1.6	
Debtors	13	462.6		165.3	
Cash		615.7		704.5	
		<u>1,078.9</u>		<u>871.4</u>	
<b>Creditors: amounts falling due within one year</b>	15	(511.3)		(1,346.5)	
		<u></u>		<u></u>	
<b>Net current assets/(liabilities)</b>			567.6		(475.1)
<b>Total assets less current liabilities</b>			<u>1,223.8</u>		<u>1,197.3</u>
<b>Creditors: amounts falling due after more than one year</b>	16		-		(0.1)
<b>Provisions for liabilities and charges</b>	17		(22.2)		(15.6)
			<u>1,201.6</u>		<u>1,181.6</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,053.1		1,053.1
Capital redemption reserve	19		8.3		8.3
Profit and loss account	19		140.2		120.2
<b>Shareholders' funds:</b>					
Equity			248.5		228.5
Non-equity			953.1		953.1
			<u>1,201.6</u>		<u>1,181.6</u>

These accounts were approved by the Board of Directors on 15 September 2003 and were signed on its behalf by:



**J S Leslie**  
Director



## Scottish & Newcastle Retail Limited

### Notes to the accounts

#### 1. Accounting Policies

##### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts will normally be drawn up for the period of 52 weeks (53 weeks when necessary) ending on the Sunday nearest 30 April.

The company has taken advantage of exemptions under FRS1 and has not prepared a cash flow statement.

The company has taken advantage of exemptions under FRS8 and has not disclosed certain related party transactions.

The company is exempt from the requirement to produce group accounts by the Companies Act 1985 section 228. The financial statements present information about the company as an individual undertaking and not about its group.

The prior period adjustment represents the preference dividends receivable that were not accounted for in the years ended 28 April 2002 and 29 April 2001. The prior period adjustment gives rise to a net cumulative credit to reserves of £16.1m of which £11.2 relates to the year ended 28 April 2002 and £4.9m relates to the year ended 29 April 2001.

##### *Goodwill*

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### *Depreciation*

Depreciation is provided to write off the cost less estimated residual value of all tangible fixed assets in equal annual instalments over the expected useful economic lives of the assets.

Freehold land is not depreciated.

Freehold buildings are depreciated to their estimated residual values over the following periods:

- Licensed buildings - 50 years

Buildings held on lease are depreciated over the shorter of 50 years or the unexpired term of the lease.

Other tangible assets are written off over their estimated useful life as follows:

##### *Fittings:*

- Licensed and related properties - 5 to 15 years

##### *Vehicles, plant and equipment:*

- Commercial vehicles and private cars - 3 to 8 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### *Stock valuation*

Stocks are stated at the lower of cost or net realisable value.

## Scottish & Newcastle Retail Limited

### Notes to the accounts (continued)

#### *Pension and other post retirement benefits*

The expected cost of pensions in respect of defined benefit pensions schemes is charged to the profit and loss account so as to spread the cost of pensions over the expected remaining service lives of employees in the scheme.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are included in the balance sheet as fixed assets at cost less depreciation. The capital element of future rentals is treated as a liability. The interest element is charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

#### *Deferred taxation*

Deferred taxation is provided, without discounting, on all timing differences which have originated but not reversed at the balance sheet date except for those which should not be recognised under FRS19, calculated at the enacted rates at which it is estimated that tax will be payable. Deferred taxation assets are only recognised to the extent that it is more likely than not that they will be recovered.

#### *Turnover*

Turnover comprises sales, including recovery of duty where appropriate, and rent receivable excluding VAT and property disposals.

### 2. Turnover

	2003 £m	2002 £m
Sales	500.0	615.6
Rental income	13.8	15.3
	<hr/> 513.8	<hr/> 630.9

### 3. Segmental Analysis

The turnover, operating profit and net assets of the company for the years ended 27 April 2003 and 28 April 2002 are attributable to the single continuing activity of the operation of pubs and pub restaurants which was carried out in the United Kingdom.

### 4. Net operating costs

	2003 £m	2002 £m
Cost of sales	71.5	117.6
Staff costs (note 6)	150.4	175.3
Depreciation and amortisation	47.8	49.7
Other operating costs	133.1	159.4
Investment Income	-	(2.0)
	<hr/> 402.8	<hr/> 500.0

Operating lease costs on property for the year amounted to £34.6m (2002 - £37.1m).

Fees in respect of services provided by the auditors for the statutory audit of the company and other services were paid on behalf of the company by its ultimate parent company Scottish and Newcastle plc. Fees paid by the company to the auditors in respect of non-audit services during the year were £nil (2002 - £0.1m).

# Scottish & Newcastle Retail Limited

## Notes to the accounts (continued)

### 5. Remuneration of Directors

The directors of the company have contracts of employment with the ultimate parent company, Scottish & Newcastle plc or other fellow group undertakings. They are also directors of other companies within the group. The directors received total remuneration for the year of £1.9m (2002 - £1.4m), all of which was paid by the ultimate parent company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the other companies.

### 6. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 17,310 (2002 - 21,045). The aggregate payroll cost of these persons was £150.4m (2002 - £175.3m) which can be analysed as follows:

	2003 £m	2002 £m
Wages and salaries	140.8	164.2
Social security costs	8.3	9.5
Pension costs	1.3	1.6
	<hr/> 150.4 <hr/>	<hr/> 175.3 <hr/>

#### *Pension costs*

The SSAP 24 actuarial information is disclosed in the Scottish & Newcastle plc accounts.

FRS17 has not yet been implemented. The pension schemes are defined benefit schemes but are part of the S&N Group schemes. The company is unable to identify its share of the underlying assets and liabilities of the schemes. Consequently, the company will, under FRS 17, account for the schemes as defined contribution schemes.

In the transition period certain disclosures are required which are included below.

The principal actuarial assumptions were:

	2003	2002
Rate of increase in salaries	4.0%	4.0%
Rate of increase in pensions	2.5%	2.5%
Discount rate	5.6%	6.0%
Inflation rate	2.5%	2.5%

The value of assets and liabilities were as follows:

	2003 £m	2002 £m
Total market value of assets	1,277.0	1,506.0
Present value of scheme liabilities	(1,948.6)	(1,774.8)
Deficit in the scheme	(671.6)	(268.8)

### 7. Net Interest receivable

	2003 £m	2002 £m
Interest payable on other loans	(0.5)	(0.6)
Interest income from other group undertakings	0.9	0.7
Interest receivable on other loans	0.2	
	<hr/> 0.6 <hr/>	<hr/> 0.1 <hr/>

# Scottish & Newcastle Retail Limited

## Notes to the accounts (continued)

### 8. Taxation on profit on ordinary activities

	2003 £m	2002 £m
(i) Tax Charge		
Corporation Tax - current year	35.6	27.9
- prior year adjustments	0.2	(0.2)
Total current taxation	35.8	27.7
Deferred tax - origination and reversal of timing differences	8.8	13.3
- arising on inter company transfers	2.3	-
	46.9	41.0
	2003 £m	2002 £m
(ii) Tax reconciliation		
Profit on ordinary activities before taxation	66.9	147.1
Notional tax charge at UK corporation tax rate of 30%	20.1	44.1
Permanent differences (includes amortisation of goodwill)	3.6	0.1
Fixed assets and other timing differences	(2.7)	(13.8)
Adjustments relating to prior years' corporation tax	0.2	(0.2)
Capital losses/gains not attracting tax at standard rate	14.6	(2.5)
	35.8	27.7

### 9. Intangible assets

	Goodwill £m
<b>Cost</b>	
At 28 April 2002	185.0
On disposals	(185.0)
At 27 April 2003	-
<b>Amortisation</b>	
At 28 April 2002	22.5
On disposals	(31.8)
Provided during the year	9.3
At 27 April 2003	-
<b>Net Book Value</b>	
At 28 April 2002	162.5
At 27 April 2003	-

Goodwill is amortised over 20 years.

# Scottish & Newcastle Retail Limited

## Notes to the accounts (continued)

### 10. Tangible fixed assets

	Licensed and Related Properties and Fittings £m	Plant, Vehicles and Equipment £m	Total £m
<b>Cost or valuation</b>			
At 28 April 2002	1,541.0	38.6	1,579.6
Transfers to other group undertakings	(997.8)	(6.6)	(1,004.4)
Additions	92.4	5.0	97.4
Disposals	(16.1)	(3.2)	(19.3)
At 27 April 2003	619.5	33.8	653.3
<b>Depreciation</b>			
At 28 April 2002	215.8	20.3	236.1
Transfers to other group undertakings	(95.3)	(5.9)	(101.2)
Charge for year	32.9	5.6	38.5
Disposals	(6.0)	(1.7)	(7.7)
At 27 April 2003	147.4	18.3	165.7
<b>Net book value</b>			
At 28 April 2002	1,325.2	18.3	1,343.5
At 27 April 2003	472.1	15.5	487.6

The net book value of properties comprises:

	Licensed and Related Properties and Fittings	
	2003 £m	2002 £m
Freehold	277.3	1,100.1
Long leasehold over 50 years	71.6	98.2
Short leasehold under 50 years	123.2	126.9
	472.1	1,325.2

### 11. Investments

	Shares in subsidiary companies £m	Trade loans £m	Total £m
At 28 April 2002	155.0	11.4	166.4
Advances during the year	-	8.7	8.7
Repaid during the year	-	(6.5)	(6.5)
At 27 April 2003	155.0	13.6	168.6

# Scottish & Newcastle Retail Limited

## Notes to the accounts (continued)

The company's principal subsidiary is:

	Country of incorporation	Country of operation	% of equity holding
S&N Retail (Northampton) Ltd	England	UK	100

During the year the company acquired the remaining 26% of S&N Retail (Northampton) Ltd for £26,000.

## 12. Stocks

Stocks of £0.6m (2002 - £1.6m) are all stocks of finished goods.

## 13. Debtors

	2003 £m	2002 as restated £m
Prepayments	8.9	12.7
Amounts due from Group undertakings	422.8	99.8
Corporation tax	29.7	31.3
Other debtors	1.2	21.5
	<u>462.6</u>	<u>165.3</u>

## 14. Deferred tax

		£m
At 28 April 2002		(8.9)
Profit and loss account		(11.1)
		<hr/>
At 27 April 2003		(20.0)
		<hr/>
	2003	2002
	£m	£m
Accelerated capital allowances	(21.6)	(11.3)
Other timing differences	1.6	2.4
	<hr/>	<hr/>
	(20.0)	(8.9)
	<hr/>	<hr/>
<u>Unprovided deferred tax</u>		
Rolled over gains	79.8	103.0

No provision has been made for deferred tax on gains on the sale of assets where potentially taxable gains have been rolled over into replacement assets. Such tax would only be payable if the assets were sold without it being possible to claim rollover relief or to utilise unrecognised capital losses.

# Scottish & Newcastle Retail Limited

## Notes to the accounts (continued)

### 15. Creditors: amounts falling due within one year

	2003 £m	2002 £m
Amounts due to Group undertakings	478.5	1,307.5
Accruals and deferred income	23.3	30.8
Other creditors	9.5	8.2
	<u>511.3</u>	<u>1,346.5</u>

### 16. Creditors: amounts falling due after more than one year

	2003 £m	2002 £m
Finance leases	-	0.1

### 17. Provisions for liabilities and charges

	Deferred Tax £m	Reorganisation £m	Onerous Leases £m	Total £m
Balance at 28 April 2002	8.9	6.7	-	15.6
Charged in profit and loss account	11.1	-	2.2	13.3
Utilised during the year	-	(6.7)	-	(6.7)
Balance at 27 April 2003	<u>20.0</u>	<u>-</u>	<u>2.2</u>	<u>22.2</u>

The reorganisation costs were charged as exceptional items in 2001. The majority of the onerous lease provision will be utilised within one year.

### 18. Called up share capital

	Number of shares		Amount £	
Authorised	2003	2002	2003	2002
Ordinary A shares of £1 each	74	74	74	74
Ordinary B shares of £1 each	26	26	26	26
Ordinary C shares of £1 each	400	400	400	400
Ordinary D shares of £1 each	100,000,000	100,000,000	100,000,000	100,000,000
Redeemable preference shares of £1 each	1,300,099,500	1,300,099,500	1,300,099,500	1,300,099,500
Additional redeemable preference shares of £1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	<u>2,400,100,000</u>	<u>2,400,100,000</u>	<u>2,400,100,000</u>	<u>2,400,100,000</u>

## Scottish & Newcastle Retail Limited

### Notes to the accounts (continued)

<i>Allotted, called up &amp; fully paid</i>	Number of shares		Amount £	
	2003	2002	2003	2002
Ordinary B shares of £1 each	26	26	26	26
Ordinary C shares of £1 each	400	400	400	400
Ordinary D shares of £1 each	100,000,000	100,000,000	100,000,000	100,000,000
Additional redeemable preference shares of £1 each	953,049,832	953,049,832	953,049,832	953,049,832
	1,053,050,258	1,053,050,258	1,053,050,258	1,053,050,258

#### Additional Redeemable Preference Shares

These shares confer on the holders priority, after holders of preference shares, in the payment of dividends and repayment of capital. The holders of these shares are entitled to be paid in respect of each financial year or other accounting period of the company a fixed cumulative preferential dividend at the rate of 4.375% per annum on the nominal capital for the time being paid up or credited as paid up thereon. On a return of capital on winding up or (other than on redemption of A or D ordinary shares) otherwise, the holders are entitled to a repayment of the amount paid up on their shares. The holders of additional preference shares are not normally entitled to attend or vote at general meetings of the company unless the preference dividends are in arrears or if a resolution is to be proposed which affects the rights of the preference shares. The company shall have the right to redeem at any time from the day following the issue of any preference shares. Scottish & Newcastle plc have waived their right to receive the cumulative preference dividend.

#### Ordinary B Shares

The holders of these shares are not entitled to attend and vote at general meetings of the company unless a resolution is to be proposed which affects the rights of the ordinary B shares. The balance of the profits of the company available for distribution may be distributed by dividend among the holders of ordinary A, B, C and D shares pro rata to the amounts paid up or credited as paid up thereon. The holders of these shares have an option of requiring the company to allot all or any of the ordinary C shares to them at a subscription price equal to their nominal value. The allotment option is exercisable by a notice in writing to the company given at any time after the first issue of the preference shares.

#### Ordinary C Shares

The holders of these shares are entitled to attend and vote at general meetings of the company. The balance of the profits of the company available for distribution may be distributed by dividend among the holders of ordinary A, B, C and D shares pro rata to the amounts paid up or credited as paid up thereon.

#### Ordinary D Shares

The holders of these shares are entitled to attend and vote at general meetings of the company. The balance of the profits of the company available for distribution may be distributed by dividend among the holders of ordinary A, B, C and D shares pro rata to the amounts paid up or credited as paid up thereon.



# Scottish & Newcastle Retail Limited

## Notes to the accounts (continued)

### 19. Reconciliation of movements in shareholders' funds

	Share Capital £m	Profit and Loss Account as restated £m	Capital redemption reserve £m	Total £'000
At 29 April 2001	1,053.1	9.2	8.3	1,070.6
Prior year adjustment	-	4.9	-	4.9
As restated	1,053.1	14.1	8.3	1,075.5
Profit for the year	-	106.1	-	106.1
At 28 April 2002 (previously £1,165.5m before prior year adjustment of £16.1m)	1,053.1	120.2	8.3	1,181.6
Profit attributable to ordinary shareholders	-	20.0	-	20.0
At 27 April 2003	1,053.1	140.2	8.3	1,201.6

### 20. Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made:

	2003 £m	2002 £m
Expenditure authorised and committed	10.4	1.5

- (ii) Annual commitments under non-cancellable operating leases are as follows:

	Land & Buildings	
	2003 £m	2002 £m
<i>Operating leases which expire:</i>		
Within one year	0.1	0.1
Within two to five years	0.5	0.2
Over five years	17.4	16.5
	18.0	16.8

### 21. Parent company

The ultimate parent undertaking, which is also the parent for the smallest group of undertakings for which group accounts are drawn up and of which the company is a member, is Scottish & Newcastle plc, a company registered in Scotland.

Group accounts for this company may be obtained from the Company Secretary, Scottish & Newcastle plc, 33 Ellersly Road, Edinburgh, EH12 6HX.