

**Directors' Report for the Year to 31 December 2005**

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><b>Appointed</b></i>	<i><b>Resigned</b></i>
G G M Izatt		
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 31 December 2005 and 31 December 2004 were as follows:

	<i><b>31 December 2005</b></i>		<i><b>31 December 2004</b></i>	
	<i>Shares</i>	<i>Options</i>	<i>Shares</i>	<i>Options</i>
G G M Izatt	36,113	36,844	33,143	122,230
M Stevens	3,493	2,588	2,819	-
Scottish & Newcastle Breweries (Services) Ltd	-	-	-	-

By Order of the Board



M Stevens  
Secretary  
/O    July 2006



**William Younger and Company Limited      Company Number: SC1658**

**Balance Sheet as at 31 December 2005**

	<b>31 December 2005 £</b>	<b>31 December 2004 £</b>
<b>CURRENT ASSETS</b>		
DEBTORS: Amounts due by Scottish & Newcastle plc	950,000	950,000
<b>NET ASSETS</b>	<u>950,000</u>	<u>950,000</u>
<b>CAPITAL AND RESERVES</b>		
SHARE CAPITAL – See note 2	<u>950,000</u> <u>950,000</u>	<u>950,000</u> <u>950,000</u>

For the year ended 31 December 2005 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:

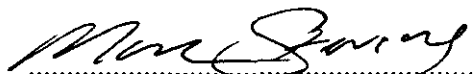
- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year; and of its profit and loss for the financial year in accordance with section 226, and which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

**Notes to the Accounts**

1. The ultimate holding company is Scottish & Newcastle plc, a company incorporated in Scotland.
2. The detail of the Share Capital is as follows:

	<b>31 December 2005 £</b>	<b>31 December 2004 £</b>
<u>Authorised</u>		
1,000,000 Ordinary Shares of £1 fully paid	1,000,000	1,000,000
<u>Allotted</u>		
- Fully Paid Up		
900,000 Ordinary Shares of £1 fully paid	900,000	900,000
- Partly Paid		
100,000 Ordinary Shares of £1 each – 50p paid	<u>50,000</u> <u>950,000</u>	<u>50,000</u> <u>950,000</u>

Signed on behalf of the Board



M Stevens, Director  
Edinburgh, 10 July 2006