

WILLIAM YOUNGER AND COMPANY LIMITED

Company No. 1658

Directors' Report for the Year Ended 3 May 1998

The accounts for the year are attached.

The company has been appointed as agent for Scottish & Newcastle plc. The company has not traded on its own account during the year and accordingly it has made neither a profit nor a loss. No Profit and Loss Account has therefore been prepared.

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

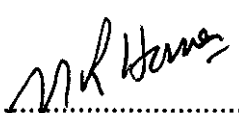
	<u>Appointed</u>	<u>Resigned</u>
I T Copeland		
G G Dickson		01/12/97
J H Drake		
G S Hollender		
G D Kendrick		01/12/97
G A Kingston		
M R Langford		
G F F Oliver		
P Ryan		21/11/97
C Williamson		

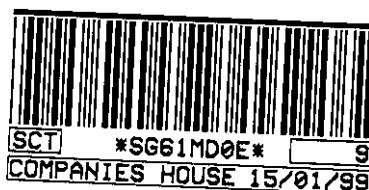
The Directors' interests in 20p Ordinary Shares of Scottish & Newcastle plc (including options granted under the terms of the United Kingdom employee share schemes to subscribe for ordinary shares) at 27 April 1997 (or appointment, if later) and at 3 May 1998 were as follows:

	<u>3 May 1998</u>		<u>27 April 1997</u>	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
I T Copeland	906	3,065	623	3,592
J H Drake	12,460	3,248	2,230	3,248
G S Hollender	168	1,949	168	1,949
G A Kingston	2,794	3,598	650	4,783
M R Langford	3,409	3,775	153	12,954
G F F Oliver	6,005	2,512	6,723	3,321
C Williamson	4,000	32,392	3,907	33,459

Since the year end, Mr M J Peary and Mr N R Homer were appointed as directors on 3 July 1998.

By Order of the Board


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N R Homer Secretary
3 July 1998



WILLIAM YOUNGER AND COMPANY LIMITED

Company Number 1658

BALANCE SHEET AS AT 3 May 1998

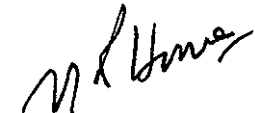
	1998 £	1997 £
CURRENT ASSETS		
DEBTORS: Amount due by Scottish & Newcastle plc	950,000	950,000
NET ASSETS	<u>950,000</u>	<u>950,000</u>
CAPITAL AND RESERVES		
SHARE CAPITAL: See Note 3	950,000	950,000
	<u>950,000</u>	<u>950,000</u>

Notes to the Accounts

1. The ultimate holding company is Scottish & Newcastle plc, a company incorporated in Scotland.
2. The company was dormant, within the meaning of Section 252 of the Companies Act 1985, throughout the year.
3. The detail of the Share Capital is as follows:

	1998 £	1997 £
Authorised 1,000,000 Ordinary Shares of £1 fully paid	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and Fully paid up 900,000 Ordinary Shares of £1 fully paid	900,000	900,000
Allotted and Partly paid 100,000 Ordinary Shares of £1 each - 50p paid	50,000	50,000
	<u>950,000</u>	<u>950,000</u>

Signed on behalf of the Board


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Mr N R Homer Director
Edinburgh 3 July 1998