

Directors' Report for the Year Ended 29 April 2001

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>
J Dunsmore		
J S Gillespie		
K Guthrie		31/01/2001
G B MacDonald		01/10/2000
A G McGrath		
G Myles		

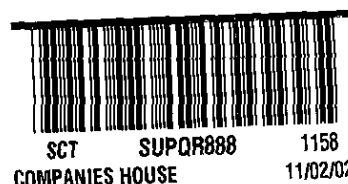
The Directors' interests in shares of Scottish & Newcastle plc (including options granted under the terms of the United Kingdom employee share schemes to subscribe for ordinary shares) 30 April 2000 and 29 April 2001 were as follows:

	<i>29 April 2001</i>		<i>30 April 2000</i>	
	<i>Shares</i>	<i>Options</i>	<i>Shares</i>	<i>Options</i>
J Dunsmore	4,767	123,544	4,871	95,624
J S Gillespie	3,073	42,916	1,968	31,402
A G McGrath	7,519	82,424	7,655	63,674
G Myles	915	35,612	2,103	27,215

By Order of the Board

.....*N R Homer*.....
 N R Homer
 Secretary
 5 February 2002

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Balance Sheet as at 29 April 2001

	2001 £	2000 £
CURRENT ASSETS		
DEBTORS – Amount due by Scottish & Newcastle plc	5	5
NET ASSETS	<u>5</u>	<u>5</u>
CAPITAL AND RESERVES		
Share Capital – See note 2	<u>5</u>	<u>5</u>

For the year ended 29 April 2001 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:

	2001 £	2000 £
Authorised		
100 Ordinary Shares of £1 fully paid	100	100
Allotted and Fully paid up		
5 Ordinary Shares of £1	5	5

Signed on behalf of the Board



J Gillespie
Managing Director
5 February 2002