

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 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:

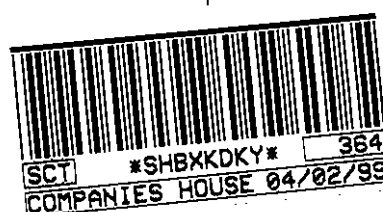
	<u>Appointed</u>	<u>Resigned</u>
P Barr		1.12.97
G G Dickson		1.12.97
J Dunsmore	1.12.97	
S Glancey		
J S Gillespie		
J P Griffiths		
A G McGrath		
I M Norman		
W J C Wood		1.12.97

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>
J Dunsmore	--	57,327	--	21,000
S Glancey	563	16,008	351	10,022
J S Gillespie	826	19,303	181	13,078
J P Griffiths	2,700	1,560	2,332	1,560
A G McGrath	--	49,505	--	36,770
I M Norman	1,730	17,129	653	12,791

By Order of the Board

.....*N R Homer*.....
N R Homer Secretary
20 May 1998



BALANCE SHEET AS AT 3 MAY 1998

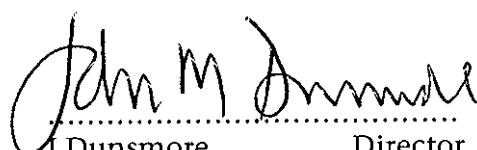
	1998	1997
	£	£
CURRENT ASSETS		
DEBTORS: Amount due by Scottish & Newcastle plc	<u>5</u>	<u>5</u>
NET ASSETS	<u>5</u>	<u>5</u>
CAPITAL AND RESERVES		
SHARE CAPITAL: See Note 3	<u>5</u>	<u>5</u>

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 10,000 Ordinary Shares of £1 fully paid	100	100
Allotted and Fully paid up 100 Ordinary Shares of £1 fully paid	5	5

Signed on behalf of the Board


.....
J Dunsmore Director
Edinburgh 20 May 1998