

Beacon (No. 1) Limited

Company Number: SC198750

Directors' Report for the year to 31 December 2005

The accounts for the period are attached.

The company has not traded during the period 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 period:

	<i>Appointed</i>	<i>Resigned</i>
J Laurie		06/09/2005
A Dick	06/09/2005	
M Stevens		

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>31 December 2005</i>		<i>31 December 2004</i>	
	<i>Shares</i>	<i>Options</i>	<i>Shares</i>	<i>Options</i>
M Stevens	3,493	2,588	2,819	-
A Dick	5,251	20,645	-	-

By Order of the Board


M Stevens
Secretary
26 May 2006



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Balance Sheet as at 31 December 2005

	31 December 2005 £	31 December 2004 £
CURRENT ASSETS		
Amounts owed by the ultimate Holding company	<u>1</u>	<u>1</u>
CAPITAL AND RESERVES		
CALLED UP SHARE CAPITAL – see note 4	<u>1</u>	<u>1</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 period 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. These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
2. During the year, the Company has not traded, not incurred any liabilities, and consequently, has made neither a profit nor loss. None of the directors received any emoluments in respect of their services to the Company.
3. The ultimate holding company is Scottish & Newcastle plc, a company incorporated in Scotland.
4. Share Capital

	31 December 2005	31 December 2004
Ordinary Shares of £1 each		
Authorised	1,000	1,000
Issued and Fully Paid	<u>1</u>	<u>1</u>

Signed on behalf of the Board


M Stevens, 26 May 2006