

**SCOTTISH DAILY RECORD & SUNDAY
MAIL LIMITED**

Report and Financial Statements

2 January 2000



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**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**

REPORT AND FINANCIAL STATEMENTS 2000

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 week period ended 2 January 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is the publishing of newspapers.

RESULTS AND REVIEW OF ACTIVITIES

The company's results for the period are set out on page 5. The directors are satisfied with the performance of the company and look forward to the future with optimism.

RESULTS AND TRANSFER TO RESERVES

The profit on ordinary activities after taxation amounted to £6,092,000 (53 weeks ended 2 January 1999: profit of £22,505,000). The reduction in profit after tax of £16,413,000 is primarily due to adjustments made to the carrying value of assets and liabilities following the acquisition of the former parent company, Mirror Group Limited, by Trinity Mirror plc on 6 September 1999. No dividend (53 weeks ended 2 January 1999: £115,000,000) was paid during the period. The retained profit for the financial period of £6,092,000 (53 weeks ended 2 January 1999: loss £92,495,000) has been transferred to reserves.

DIRECTORS

The directors of the company during the period, together with their dates of appointment and resignation, where relevant, were:

J W Anderson	
S D Barber	(resigned 30 September 1999)
J B Cassidy	(resigned 15 September 1999)
T M Connor	(resigned 30 September 1999)
Sir A Grossart	
M T Hollinshead	
K Hughes	
P C Moore	
P A Vickers	
D J Montgomery	(resigned 26 January 1999)
J G Foley	(appointed 1 February 1999)
S W Sampson	(appointed 29 January 1999)
P G Cox	(appointed 25 October 1999)
C P Graf	(appointed 25 October 1999)
M D Masters	(appointed 25 October 1999)

C J Allwood resigned as director of the company on 20 July 2000. J P Chisholm resigned as a director of the company on 17 March 2000. M Clarke resigned as a director of the company on 31 August 2000. S McLaughlin resigned as a director of the company on 30 June 2000.

M Ewing was appointed as a director of the company on 4 January 2000. F Haynes, K J Morrison and D M West were appointed as directors of the company on 12 May 2000. G Leitch was appointed as a director of the company on 26 June 2000.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

No director had any interests in the shares of the company at any time during the period. The interests of directors in the shares of the company's ultimate parent undertaking, Trinity Mirror plc, who were also directors of Trinity Mirror plc at the period end are disclosed in the financial statements of that company.

At 2 January 2000 P C Moore had interests in 130 ordinary shares in Trinity Mirror plc (3 January 1999: 400 in Mirror Group Limited).

J P Chisholm, M Clarke, M T Hollingshead, K Hughes, S P McLaughlin and P C Moore held 32,926, 121,951, 60,975, 18,278, 27,439 and 29,268 options respectively at 2 January 2000 to purchase shares in Trinity Mirror plc at an exercise price of 266p exercisable between March 2000 and March 2004 under the Mirror Group Executive Share Option Scheme (rollover). The options were granted on 13 October 1999 as a consequence accepting the offer to option holders in the Mirror Group 1991 Executive Share Option Scheme made by Trinity on the basis of 0.469121 Trinity Mirror plc shares for every one Mirror Group Limited share.

In addition M Clarke held 136,240 options to purchase shares under the Mirror Group 1991 Executive Share Option Scheme at an exercise price of 183p exercisable between April 2000 and April 2005. The options were granted on 28 April 1998.

INSURANCE OF DIRECTORS

Trinity Mirror plc maintains insurance for its directors, including directors of its subsidiary undertakings, in respect of their duties.

POLITICAL AND CHARITABLE DONATIONS

Contributions of £4,000 (53 weeks ended 2 January 1999: £14,000) were made during the period for charitable purposes. No political donations were made during the period.

CREDITOR PAYMENT POLICY

It is the policy of the company to agree suitable terms and conditions for its business transactions with suppliers. These terms and conditions range from standard written terms to individually drafted contracts. Once such terms are agreed it is the company's policy to fully adhere to them, including payment schedules, provided the supplier has also complied with the terms and conditions. The company's suppliers are paid by MGN Limited, a fellow subsidiary undertaking, as part of a centralised accounts payable function. The average payment period disclosed by MGN Limited is 27 days (53 weeks ended 2 January 1999: 47 days).

EMPLOYEE RELATED MATTERS

Disabled Persons

The company's policy is to give fair and equal consideration to the recruitment, employment and career development of disabled persons where suitable opportunities arise, and to provide such training and other assistance as may be necessary and practicable. Employees who become disabled and unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

Employee Involvement

Communication and participation of employees is achieved through both formal and informal channels. The means of communication range from formal union procedures to staff briefings and formal and informal management briefings. Where appropriate, communication is by personal letter or circular to employees individually.

EMPLOYEE SHARE AWARD SCHEME

The company participates in the employee share award scheme of Trinity Mirror plc and its subsidiary undertakings (the "Group").

DIRECTORS' REPORT**PENSION SCHEMES**

The company participates in the pension schemes of the Group as described in Note 20 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

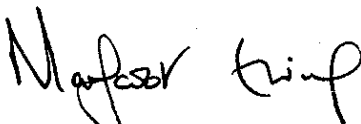
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Deloitte and Touche were appointed auditors during the financial period. An elective resolution was passed on 7 August 2000 to dispense with the need to reappoint auditors annually.

Approved by the Board of Directors
and signed on behalf of the Board



M EWING
Director

29 September 2000

SCOTTISH DAILY RECORD & SUNDAY MAIL LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 2 January 2000 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

29 September 2000

PROFIT AND LOSS ACCOUNT
52 weeks ended 2 January 2000

	Note	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
TURNOVER	2	109,618	109,514
Cost of sales		(66,377)	(63,319)
GROSS PROFIT		43,241	46,195
Net operating expenses	3	(30,227)	(17,495)
OPERATING PROFIT	4	13,014	28,700
Income from investments	6	2	3,612
Interest payable	7	(703)	(1,008)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,313	31,304
Tax on profit on ordinary activities	8	(6,221)	(8,799)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		6,092	22,505
Dividends	9	-	(115,000)
Profit / (loss) for the financial period	18	6,092	(92,495)

All turnover and results arose from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
52 weeks ended 2 January 2000

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Profit for the financial period	6,092	22,505
Surplus on revaluation of tangible fixed assets	5,900	-
Total recognised gains and losses for the period	<u>11,992</u>	<u>22,505</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
52 weeks ended 2 January 2000

There is no difference between the reported profit and the historical cost profit on ordinary activities before taxation for either period.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
52 weeks ended 2 January 2000

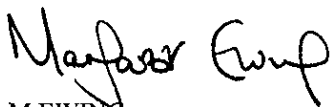
	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Profit on ordinary activities after taxation	6,092	22,505
Dividends paid	-	(115,000)
Surplus on revaluation of tangible fixed assets	5,900	-
Net additions to/(reduction in) shareholders' funds	<u>11,992</u>	<u>(92,495)</u>
Opening shareholders' funds	27,947	120,442
Closing shareholders' funds	<u>39,939</u>	<u>27,947</u>

BALANCE SHEET
2 January 2000

	Note	At 2 January 2000 £'000	At 3 January 1999 £'000
FIXED ASSETS			
Tangible assets	10	71,488	64,164
Investments	11	7,421	63,102
		<u>78,909</u>	<u>127,266</u>
CURRENT ASSETS			
Stocks	12	155	68
Debtors	13	255,890	94,218
Property held for resale		1,335	5,500
Cash at bank and in hand		311	156
		<u>257,691</u>	<u>99,942</u>
CREDITORS: amounts failing due within one year	14	<u>(285,596)</u>	<u>(187,903)</u>
NET CURRENT LIABILITIES		<u>(27,905)</u>	<u>(87,961)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		51,004	39,305
CREDITORS: amounts failing due after more than one year	15	(6,223)	(7,948)
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(4,842)</u>	<u>(3,410)</u>
		<u>39,939</u>	<u>27,947</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,022	1,022
Share premium account	18	18	18
Revaluation reserve	18	7,034	1,134
Profit and loss account	18	31,865	25,773
EQUITY SHAREHOLDERS' FUNDS		<u>39,939</u>	<u>27,947</u>

These financial statements were approved by the Board of Directors on 29 September 2000.

Signed on behalf of the Board of Directors



M EWING
Director

NOTES TO THE ACCOUNTS**52 weeks ended 2 January 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The directors consider the going concern basis of preparation of the financial statements continues to be appropriate as the ultimate parent company has confirmed its intention to provide financial support as required.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of newspapers and advertising space sold and sundry goods and services supplied.

Deferred taxation

Provision is only made for deferred taxation, using the liability method, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Tangible assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided on all buildings, plant, machinery and other equipment on a basis that will write off, by equal annual instalments, the cost or valuation less estimated residual values of these assets over their expected useful lives. No depreciation is provided on land or assets in the course of construction. Depreciation periods applied are as follows:

Buildings	50 years
Refurbishments	5 to 10 years
Plant and machinery	5 to 20 years
Motor vehicles	4 years
Fixtures and fittings	5 to 15 years

Investments

Fixed asset investments are stated at cost less provisions for impairment.

Finance and operating leases

Assets held under finance leases are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. Costs in respect of operating leases are charged on a straight line basis over the lease terms.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Libel litigation

Accruals are made for legal costs in respect of libel litigation in progress. Provision is made for estimated damages where it is judged probable that damages will be payable.

Pension scheme arrangements

The company charges the regular cost of providing pension benefits against profits so that the charge represents a substantially level percentage of the current and expected future pensionable payroll over the average expected service life of scheme employees. Variations from this regular cost are allocated over the average estimated remaining service lives of current employees after allowing for interest on the unamortised surplus or deficiency.

Past service pension costs arising from abnormal circumstances are described in Note 20.

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated to sterling at rates of exchange ruling at the end of the period. Differences on exchange arising from this translation are taken to the profit and loss account.

Consolidated financial statements and cash flows

Group financial statements are not prepared for the company and its subsidiaries as the company is a wholly owned subsidiary of a company incorporated in Great Britain. As the company is a wholly owned subsidiary, the cash flows of the company are included in the consolidated cash flow statement of its parent undertaking. Consequently the company is exempt under the provisions of Financial Reporting Standard 1 - "Cash Flow Statements", from publishing a separate cash flow statement.

2. TURNOVER

Turnover is comprised substantially of sales in the United Kingdom and is derived from newspaper publishing.

3. NET OPERATING EXPENSES

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Distribution costs	3,539	3,842
Administration expenses	26,688	13,653
	<u>30,227</u>	<u>17,495</u>

An exceptional gain of £3,480,000 as described in note 4 is included within administration expenses in the previous period.

NOTES TO THE ACCOUNTS**52 weeks ended 2 January 2000****4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Release of provision in respect of the Mirror Group Pension Scheme and the MGN Past Service Pension Scheme	-	(3,480)
Impairment of tangible fixed assets and assets held for resale	4,840	-
Write-off of assets held for resale	2,793	-
Depreciation - owned assets	(4,082)	4,290
- leased assets	(555)	700
Operating lease rentals - land and buildings	144	50
- plant and equipment and vehicles	357	293
	<u> </u>	<u> </u>

The auditors' remuneration has been borne by Trinity Mirror plc for the statutory audit of the Group as a whole, and is not recharged to the company. Fees for other services provided were £26,000 (53 weeks ended 2 January 1999: £22,000).

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs are as follows:

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Wages and salaries	21,491	20,543
Social security costs	1,861	1,787
Regular pension cost	929	846
	<u>24,281</u>	<u>23,176</u>

The average weekly number of employees during the period is set out below:

	52 week period ended 2 January 2000 No.	53 week period ended 3 January 1999 No.
Production and editorial	468	524
Selling and distribution	112	104
Administration	37	57
	<u>617</u>	<u>685</u>

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS (continued)

Directors' emoluments

Nine (53 weeks ended 2 January 1999: nine) of the directors were remunerated by other group companies for their services to the group as a whole and no emoluments have been charged to the profit and loss account of the company in respect of those directors. The emoluments are disclosed in the financial statements of Trinity Mirror plc.

The emoluments of the remaining directors were:

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Emoluments of directors	1,629	885
Compensation for loss of office	245	149
	<u>1,874</u>	<u>1,034</u>

The emoluments of the highest paid director, which were borne by other group companies, were:

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Emoluments	1,566	589
Pension contributions to money purchase schemes	100	112
	<u>1,666</u>	<u>701</u>

Ten (53 weeks ended 2 January 1999: ten) directors accrued benefits under defined benefit pension schemes and six (53 weeks ended 2 January 1999: six) directors under money purchase schemes.

NOTES TO THE ACCOUNTS**52 weeks ended 2 January 2000****6. INCOME FROM INVESTMENTS**

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Dividends receivable from listed investments	2	3,612

7. INTEREST PAYABLE

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Interest payable on finance leases	703	1,008

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 week period ended 2 January 2000 £'000	53 week period ended 3 January 1999 £'000
Group relief payable at 30.25% (53 weeks ended 2 January 1999: 31%)	4,789	5,767
Deferred taxation		
- deferred taxation on movement in pension provision	-	1,078
- other deferred tax movements	1,432	1,234
Tax credits on franked investment income	-	720
	6,221	8,799

The tax charge is disproportionate to profit on ordinary activities before taxation principally due to the effect of impairments recorded on tangible fixed assets.

9. DIVIDENDS

No dividends (53 weeks ended 2 January 1999: £115,000,000) were paid to Mirror Group Limited during the period.

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & motor vehicles £'000	Total £'000
Cost or valuation				
At 4 January 1999	24,847	64,942	888	90,677
Additions	8,069	1,226	140	9,435
Disposals	-	-	(71)	(71)
Transfer from current assets	1,375			1,375
Revaluation	2,952	-	-	2,952
At 2 January 2000	37,243	66,168	957	104,368
Depreciation				
At 4 January 1999	2,339	23,584	590	26,513
Charge for the year	609	3,887	46	4,542
Disposals	-	-	(67)	(67)
Revaluation	(2,948)	-	-	(2,948)
Impairment	-	4,700	140	4,840
At 2 January 2000	-	32,171	709	32,880
Net book value				
At 2 January 2000	37,243	33,	248	71,488
At 3 January 1999	22,508	41,358	298	64,164

The net book value of plant and machinery includes £5,651,000 (53 weeks ended 2 January 1999: £15,400,000) in respect of assets held under finance leases.

Included in freehold land and buildings are revalued properties with a net book value of £31,294,000 (53 weeks ended 2 January 1999: £3,908,000).

A revaluation of £5,900,000 was credited to the revaluation reserve at 2 January 2000 in respect of land and buildings based on a valuation of £27,600,000 on 31 December 1999 by Montagu Evans Limited, Consultant Surveyors and Valuers.

The basis of valuation was depreciated replacement cost. This method valuation was deemed by the directors to be the most appropriate as there was no readily obtainable market value for the buildings in their existing use.

If these properties had not been revalued they would have been included at the following amounts:

	As at 2 January 2000 £'000	As at 3 January 1999 £'000
Cost	26,628	2,484
Aggregate depreciation on cost	(2,368)	(214)
	24,260	2,270
Capital commitments		
Contracted for but not provided	4,949	-

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

11. INVESTMENTS

	Group under- takings £'000	Listed invest- ments £'000	Total £'000
At 4 January 1999	20	63,082	63,102
Additions in the period	7,401	-	7,401
Transfer to immediate parent company	-	(63,082)	(63,082)
At 2 January 2000	7,421	-	7,421

During the period the company acquired 100% equity investments in First Press Publishing Limited and Insider Publications Limited. On 17 February 1999 the company transferred its listed investment in Scottish Media Group to Mirror Group Limited (a fellow subsidiary undertaking) at cost.

Direct interests in Group undertakings

Name of undertaking	Country of registration	Description of shares held	Activity	Proportion of Nominal value of issued shares held
First Press Publishing Limited	Scotland	Ordinary shares of £1	Trading company	100%
Insider Publications Limited	Scotland	Ordinary shares of £1	Trading company	100%
Metropolitan Free Newspapers Limited	Scotland	Ordinary shares of £1	Holding company	100%
Saltire Press Limited	Scotland	Ordinary shares of £1	Non-trading	100%
Newsday Limited	Scotland	Ordinary shares of £1	Dormant	100%
Scotfree Limited	Scotland	Ordinary shares of £1	Dormant	100%
Scottish Opinion Limited	Scotland	Ordinary shares of £1	Joint venture	50%

Indirect interests in Group undertakings

Name of undertaking	Country of Registration	Description of shares held	Activity	Proportion of nominal value of issued shares held
Glaswegian Publications Limited	Scotland	Ordinary shares of £1	Dormant	100%
The Edinburgh and Lothians Post Limited	Scotland	Ordinary shares of £1	Dormant	100%
Dundonian Publications Limited	Scotland	Ordinary shares of £1	Dormant	100%
Aberdonian Publications Limited	Scotland	Ordinary shares of £1	Dormant	100%

NOTES TO THE ACCOUNTS
52 weeks ended 2 January 2000

12. STOCKS

	At 2 January 2000 £'000	At 3 January 1999 £'000
Raw materials and consumables	155	68

13. DEBTORS

	At 2 January 2000 £'000	At 3 January 1999 £'000
Amounts owed by immediate parent undertaking	254,294	93,210
Other deferred tax (Note 16)	180	180
Prepayments and accrued income	1,416	828
	<u>255,890</u>	<u>94,218</u>

The deferred tax asset is held in respect of the restructuring provision disclosed in note 16.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 2 January 2000 £'000	At 3 January 1999 £'000
Obligations under finance leases	3,023	4,785
Amounts owed to fellow subsidiary undertakings	255,037	168,457
Corporation tax payable	5,321	128
Other creditors	2,713	9
Accruals and deferred income	19,502	14,524
	<u>285,596</u>	<u>187,903</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 2 January 2000 £'000	At 3 January 1999 £'000
Obligations under finance leases:		
Between one and two years	6,223	7,948

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000	Restructuring costs £'000	Total £'000
At 4 January 1999	2,891	519	3,410
Profit and loss account charge	1,432	-	1,432
At 2 January 2000	4,323	519	4,842

The deferred tax liability recognised and the full potential liability for deferred taxation are as follows:

	Liability recognised at 2 January 2000 £'000	Full potential liability at 2 January 2000 £'000	Liability recognised at 3 January 1999 £'000	Full potential liability at 3 January 1999 £'000
Accelerated capital allowances	4,323	6,020	2,891	8,421

The movement in the period has been taken to the profit and loss account.

Restructuring costs include estimates of the costs of terminating certain contractual obligations and certain other costs associated with the replanting and relocation of the Glasgow print site.

A deferred tax asset relating to the restructuring provision is disclosed in debtors in note 13.

17. CALLED UP SHARE CAPITAL

	At 2 January 2000 £'000	At 3 January 1999 £'000
Authorised:		
1,022,100 ordinary shares of £1 each	1,022	1,022
Called up, allotted and fully paid:		
1,022,084 ordinary shares of £1 each	1,022	1,022

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

18. RESERVES

	Share premium account £'000	Re- valuation reserve £'000	Profit and loss account £'000
Balance at 4 January 1999	18	1,134	25,773
Retained profit for the financial period	-	-	6,092
Revaluation of tangible fixed assets	-	5,900	-
At 2 January 2000	18	7,034	31,865

19. FINANCIAL COMMITMENTS

The company has annual commitments under operating leases in respect of land and buildings and motor vehicles as follows:

	Land and buildings		Other	
	At 2 January 2000 £'000	At 3 January 1999 £'000	At 2 January 2000 £'000	At 3 January 1999 £'000
Operating leases which expire:				
Within one year	12	42	257	-
Between two and five years	8	8	100	293
After five years	124	-	-	-
	144	50	357	293

20. PENSION SCHEMES

The company's regular pension cost was £929,000 for the period (53 week period ended 3 January 1999: £846,000). The company participates in defined benefit pension schemes, the MGN Pension Scheme and the Mirror Group Pension Scheme, and contributions to the pension schemes have been assessed in accordance with the advice of qualified actuaries based on the overall group position. Details on the group's pension schemes can be found in the consolidated financial statements of Trinity Mirror plc.

21. GROUP BORROWING FACILITIES

The company, together with certain of its fellow subsidiaries in the United Kingdom, has guaranteed the loans and bank overdraft of the ultimate parent company with certain of the group's bankers. At 2 January 2000 this amounted to £679 million. Consequently, the company is dependent on the support of Trinity Mirror plc.

22. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary within the group, and utilises the exemption contained in Financial Reporting Standard 8 - "Related Party Disclosures", not to disclose any transactions with entities that are part of the group. The address at which the group consolidated financial statements are publicly available is shown in Note 23.

NOTES TO THE ACCOUNTS

52 weeks ended 2 January 2000

23. ULTIMATE PARENT COMPANY AND IMMEDIATE PARENT COMPANY

The ultimate parent company and controlling party is Trinity Mirror plc, and the immediate parent company is Mirror Group Limited. Trinity Mirror plc, registered in England and Wales, is the largest and smallest company which produces consolidated financial statements. The consolidated financial statements of Trinity Mirror plc may be obtained from The Company Secretary, Trinity Mirror plc, Kingsfield Court, Chester Business Park, Chester CH4 9RE.