

**SCOTTISH DAILY RECORD & SUNDAY
MAIL LIMITED**

Report and Financial Statements

31 December 2000

**Deloitte & Touche
Lomond House
9 George Square
Glasgow
G2 1QQ**



SCOTTISH DAILY RECORD & SUNDAY MAIL LIMITED

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 31 December 2000.

PRINCIPAL ACTIVITY

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

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 £12,570,000 (January 2000: profit of £6,092,000). The increase in profit after tax is primarily due to adjustments made in the prior year 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 (period to January 2000: nil) was paid during the period. The retained profit for the financial period of £12,570,000 (period to January 2000: profit £6,092,000) has been transferred to reserves.

Certain disclosure items relating to share options and directors' remuneration have been restated from the prior year, however there is no impact on the profit and loss account or balance sheet.

DIRECTORS

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

J W Anderson	(resigned 31 May 2001)
Sir A Grossart	
M T Hollinshead	
K Hughes	
P C Moore	(resigned 17 August 2001)
P A Vickers	
J G Foley	
S W Sampson	
P G Cox	
C P Graf	
M D Masters	(resigned 19 December 2000)
M Ewing	(appointed 4 January 2000)
F Haynes	(appointed 12 May 2000)
K J Morrison	(appointed 12 May 2000)
D M West	(appointed 12 May 2000)
G Leitch	(appointed 26 June 2000, resigned 24 November 2000)
A Rennie	(appointed 3 October 2000)
M D Haysom	(appointed 19 October 2000)
C J Allwood	(resigned 20 July 2000)
J P Chisholm	(resigned 17 March 2000)
M Clarke	(resigned 31 August 2000)
S McLaughlin	(resigned 30 June 2000)

Patrick Gray Vickery was appointed director on 23 July 2001.

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.

DIRECTORS' REPORT (Continued)

DIRECTORS (Continued)

At 31 December 2000 P C Moore had interests in 130 ordinary shares in Trinity Mirror plc (January 2000: 120).

The interests and options of the directors who are not directors of Trinity Mirror plc at the end of the financial year in the ordinary share capital of Trinity Mirror plc are:

	31.12.00 Options	2.1.00 Options
J W Anderson	15,084	-
M T Hollinshead	28,262	-
K Hughes	7,414	-
P C Moore	8,058	-
J G Foley	9,732	-
S W Sampson	6,893	-
P G Cox	25,707	-
F Haynes	4,595	-
K J Morrison	8,537	-
D M West	9,587	-

The directors held the above options under share schemes at between 428p and 544p and exercisable between May 2003 and May 2010.

No other share options were granted and no share options were exercised during the year.

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 £19,000 (period to January 2000: £4,000) 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 81 days (2 January 2000: 85 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.

DIRECTORS' REPORT (Continued)

EMPLOYEE RELATED MATTERS (Continued)

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").

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:

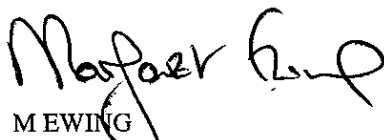
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis.

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 reappointed 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


MEWING
Director

27th September 2001

AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH DAILY RECORD & SUNDAY MAIL LIMITED

We have audited the financial statements on pages 5 to 16 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, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 31 December 2000 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and
Registered Auditors

27 September 2001

SCOTTISH DAILY RECORD & SUNDAY MAIL LIMITED

PROFIT AND LOSS ACCOUNT 52 weeks ended 31 December 2000

	Note	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
TURNOVER	2	110,370	109,618
Cost of sales		(68,435)	(66,377)
GROSS PROFIT		41,935	43,241
Net operating expenses	3	(24,414)	(30,227)
OPERATING PROFIT	4	17,521	13,014
Income from investments	6	446	2
Interest payable	7	(383)	(703)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,584	12,313
Tax on profit on ordinary activities	8	(5,014)	(6,221)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		12,570	6,092
Dividends	9	-	-
Retained profit for the financial period	18	12,570	6,092

All turnover and results arose from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
52 weeks ended 31 December 2000

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Profit for the financial period	12,570	6,092
Surplus on revaluation of tangible fixed assets	-	5,900
Total recognised gains and losses for the period	<u>12,570</u>	<u>11,992</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
52 weeks ended 31 December 2000

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Reported profit on ordinary activities before taxation	17,584	12,313
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	131	-
Historical cost profit on ordinary activities before taxation	<u>17,715</u>	<u>12,313</u>
Historical cost profit for the year after taxation and dividends	<u>12,701</u>	<u>6,092</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
52 weeks ended 31 December 2000

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Profit on ordinary activities after taxation	12,570	6,092
Surplus on revaluation of tangible fixed assets	-	5,900
Net additions to shareholders' funds	<u>12,570</u>	<u>11,992</u>
Opening shareholders' funds	<u>39,939</u>	<u>27,947</u>
Closing shareholders' funds	<u>52,509</u>	<u>39,939</u>

SCOTTISH DAILY RECORD & SUNDAY MAIL LIMITED

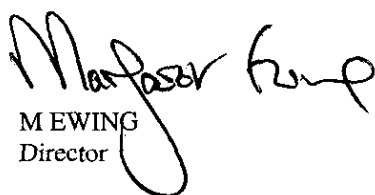
BALANCE SHEET

31 December 2000

	Note	31 December 2000 £'000	2 January 2000 Restated £'000
FIXED ASSETS			
Tangible assets	10	66,626	71,488
Investments	11	7,421	7,421
		<u>74,047</u>	<u>78,909</u>
CURRENT ASSETS			
Stocks	12	41	155
Debtors	13	313,665	255,890
Property held for resale		1,335	1,335
Cash at bank and in hand		271	311
		<u>315,312</u>	<u>257,691</u>
CREDITORS: amounts failing due within one year	14	<u>(332,216)</u>	<u>(286,822)</u>
NET CURRENT LIABILITIES		<u>(16,904)</u>	<u>(29,131)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		57,143	49,778
CREDITORS: amounts failing due after more than one year	15	(1,744)	(4,997)
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(2,890)</u>	<u>(4,842)</u>
		<u>52,509</u>	<u>39,939</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,022	1,022
Share premium account	18	18	18
Revaluation reserve	18	6,903	7,034
Profit and loss account	18	44,566	31,865
EQUITY SHAREHOLDERS' FUNDS		<u>52,509</u>	<u>39,939</u>

These financial statements were approved by the Board of Directors on 27th September 2001.

Signed on behalf of the Board of Directors


M EWING
Director

NOTES TO THE ACCOUNTS
52 weeks ended 31 December 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 fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. The transitional arrangements of Financial Reporting Standard 15 "Measurement of tangible Fixed Assets" ("FRS 15") are being adopted in respect of certain freehold buildings included within "land and buildings" where the valuation has been frozen as modified historical cost.

Further details are given in note 10. 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 in value.

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 to the profit and loss account 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.

NOTES TO THE ACCOUNTS

52 weeks ended 31 December 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.

Prior year restatement

In the 52 weeks to 2 January 2000, loan notes of £1,226,000 were incorrectly included within obligations under finance leases due over one year. The balance for both has therefore been restated in notes 14 and 15.

2. TURNOVER

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

3. NET OPERATING EXPENSES

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Distribution costs	3,675	3,534
Administration expenses	20,739	26,668
	<u>24,414</u>	<u>30,227</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Impairment of tangible fixed assets	6,900	4,840
Write-off of assets held for resale	-	2,793
Depreciation - owned assets	4,362	4,082
- leased assets	377	470
Operating lease rentals - land and buildings	166	144
- plant and equipment and vehicles	410	357
	<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 £19,000 (period to January 2000: £26,000).

NOTES TO THE ACCOUNTS

52 weeks ended 31 December 2000

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs are as follows:

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Wages and salaries	16,188	15,381
Social security costs	1,431	1,328
Regular pension cost	857	589
	<u>18,475</u>	<u>17,298</u>

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

	December 2000 No	January 2000 No
Production and editorial	257	248
Selling and distribution	106	112
Administration	34	34
	<u>397</u>	<u>394</u>

Directors' emoluments

Seven (period January 2000: nine) of the directors were remunerated by the parent company Trinity Mirror plc for their services to the group as a whole. These directors received total emoluments of £3,845,000 (1999: £1,306,000), but it is not practicable to allocate this between their services to the companies, and accordingly no emoluments have been charged to the profit and loss account of the company in respect of those directors. Their emoluments are disclosed in the financial statements of Trinity Mirror plc.

The emoluments of the remaining directors were:

	December 2000 £'000	January 2000 £'000
Emoluments of directors	1,316	1,479
Pension contributions	171	150
Compensation for loss of office	459	245
	<u>1,946</u>	<u>1,874</u>

NOTES TO THE ACCOUNTS

52 weeks ended 31 December 2000

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS (CONTINUED)

Directors' emoluments (Continued)

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

	December 2000 £'000	January 2000 Restated £'000
Emoluments	315	352
Compensation for loss of office	629	-
Pension contributions to money purchase schemes	68	45

Twenty of the directors are members of the group's defined benefit pension schemes (period to 2 January 2000 - four of the directors were members of the Mirror Group defined contribution pension arrangements and twelve were members of the group's defined benefit pension schemes).

6. INCOME FROM INVESTMENTS

	52 weeks ended 31 December 2000 £'000	52 weeks ended 2 January 2000 £'000
Dividends receivable from listed investments	446	2

7. INTEREST PAYABLE

	December 2000 £'000	January 2000 £'000
Finance leases	59	703
Loan notes	324	-
	383	703

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	December 2000 £'000	January 2000 £'000
Group relief payable at 30.0% (period to January 2000 : 30.25%)	6,447	4,789
Deferred taxation	(1,433)	1,432
	5,014	6,221

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 (period to January 2000: £nil) were paid to Mirror Group Limited, the immediate parent company, during the period.

NOTES TO THE ACCOUNTS
52 weeks ended 31 December 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 3 January 2000	37,243	66,168	957	104,368
Additions	4,345	1,766	558	6,669
Transfers from group companies	-	92	107	199
At 31 December 2000	<u>41,588</u>	<u>68,026</u>	<u>1,622</u>	<u>111,236</u>
Depreciation				
At 3 January 2000	-	32,171	709	32,880
Transfers from group companies	-	-	91	91
Charge for the year	602	4,101	36	4,739
Impairment	-	6,900	-	6,900
At 31 December 2000	<u>602</u>	<u>43,172</u>	<u>836</u>	<u>44,610</u>
Net book value				
At 31 December 2000	<u>40,986</u>	<u>24,854</u>	<u>786</u>	<u>66,626</u>
At 2 January 2000	<u>37,243</u>	<u>33,997</u>	<u>248</u>	<u>71,488</u>

The net book value of plant and machinery includes £5,274,000 (January 2000: £5,651,000) in respect of assets held under finance leases.

Included in freehold land and buildings are revalued properties with a net book value of £27,983,000 (January 2000 restated: £28,585,000).

These properties were valued at £27,600,000 on 31 December 1999 by Montagu Evans Limited, Consultant Surveyors and Valuers. The transitional arrangements of FRS 15 are being adopted in respect of these freehold land and buildings where the valuation has not been updated since 1999. The value of these assets is now frozen as modified historical cost.

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:

	31 December 2000 £'000	2 January 2000 Restated £'000
Cost	23,804	23,804
Aggregate depreciation on cost	(2,724)	(2,253)
	<u>21,080</u>	<u>21,551</u>

NOTES TO THE ACCOUNTS

52 weeks ended 31 December 2000

10. TANGIBLE FIXED ASSETS (Continued)

Comparable amounts determined according to the historical cost convention	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & motor Vehicles £'000	Total £'000
Cost	37,277	68,026	1,622	106,925
Accumulated depreciation	3,194	43,172	836	47,202
Net book value				
At 31 December 2000	34,083	24,854	786	59,723
At 2 January 2000	30,209	33,997	248	64,454

	31 December 2000 £'000	2 January 2000 £'000
Capital commitments		
Contracted for but not provided	-	4,949

11. INVESTMENTS

	31 December 2000 £'000	2 January 2000 £'000
Investments in group undertakings	7,421	7,421

Investments are stated at cost, with no provision for diminution in value considered necessary. All companies are registered in Scotland. All investments are in the ordinary shares of the companies as set out below.

Name of Undertaking	Activity	% of nominal value of issued shares held
<i>Direct interests in Group undertakings</i>		
First Press Publishing Limited	Trading company	100%
Insider Publications Limited	Trading company	100%
Metropolitan Free Newspapers Limited	Holding company	100%
Saltire Press Limited	Non-trading	100%
Newsday Limited	Dormant	100%
Scotfree Limited	Dormant	100%
Scottish Opinion Limited	Joint venture	51%
<i>Indirect interests in Group undertakings</i>		
Glaswegian Publications Limited	Dormant	100%
The Edinburgh and Lothians Post Limited	Dormant	100%
Dundonian Publications Limited	Dormant	100%
Aberdonian Publications Limited	Dormant	100%

NOTES TO THE ACCOUNTS
52 weeks ended 31 December 2000

12. STOCKS

	31 December 2000 £'000	2 January 2000 £'000
Raw materials and consumables	<u>41</u>	<u>155</u>

13. DEBTORS

	31 December 2000 £'000	2 January 2000 £'000
Amounts owed by immediate parent undertaking and fellow subsidiaries	312,648	254,294
Other deferred tax (Note 16)	-	180
Prepayments and accrued income	<u>1,017</u>	<u>1,416</u>
	<u>313,665</u>	<u>255,890</u>

The deferred tax asset held in the prior year was in respect of the restructuring provision disclosed in note 16.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2000 £'000	2 January 2000 Restated £'000
Loan notes	1,002	1,226
Obligations under finance leases	3,274	3,023
Amounts owed to fellow subsidiary undertakings	302,586	255,037
Corporation tax payable	6,447	5,321
Other taxation and social security	1,877	2,253
Other creditors	320	460
Accruals and deferred income	<u>16,710</u>	<u>19,502</u>
	<u>332,216</u>	<u>286,822</u>

The prior period comparative for loan notes has been restated, as described in note 1.

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

	31 December 2000 £'000	2 January 2000 Restated £'000
Obligations under finance leases:		
Between one and two years	<u>1,744</u>	<u>4,997</u>

Lease creditors are secured upon the assets to which they relate.

The prior period comparative has been restated, as described in note 1.

NOTES TO THE ACCOUNTS
52 weeks ended 31 December 2000

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000	Restr- ucturing costs £'000	Total £'000
At 3 January 2000	4,323	519	4,842
Profit and loss account charge	(1,433)	(519)	(1,952)
At 31 December 2000	<u>2,890</u>	<u>-</u>	<u>2,890</u>

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

	Liability recognised at 31 December 2000 £'000	Full potential liability at 31 December 2000 £'000	Liability recognised at 2 January 2000 £'000	Full potential liability at 2 January 2000 £'000
Accelerated capital allowances	<u>2,890</u>	<u>7,032</u>	<u>4,323</u>	<u>6,020</u>

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

Restructuring costs in the prior year included estimates of the costs of terminating certain contractual obligations and certain other costs associated with the replanting and relocation of the Glasgow print site.

17. CALLED UP SHARE CAPITAL

	31 December 2000 £'000	2 January 2000 £'000
Authorised:		
1,022,100 ordinary shares of £1 each	<u>1,022</u>	<u>1,022</u>
Called up, allotted and fully paid:		
1,022,084 ordinary shares of £1 each	<u>1,022</u>	<u>1,022</u>

18. RESERVES

	Share premium account £'000	Re- valuation reserve £'000	Profit and loss account £'000
Balance at 3 January 2000	18	7,034	31,865
Retained profit for the financial period	-	-	12,570
Transfer of excess depreciation on revaluation	-	(131)	131
At 31 December 2000	<u>18</u>	<u>6,903</u>	<u>44,566</u>

NOTES TO THE ACCOUNTS

52 weeks ended 31 December 2000

19. FINANCIAL COMMITMENTS

At 31 December 2000, the company had annual commitments under operating leases in respect of land and buildings and motor vehicles as follows:

	Land and buildings £'000	Other £'000
Operating leases which expire:		
Within one year	11	5
Between two and five years	16	168
After five years	132	-
	<u>149</u>	<u>173</u>

20. PENSION SCHEMES

The company's regular pension cost was £857,000 for the period (period to January 2000: £589,000). 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 (including the US Private Placement) and bank overdraft of the ultimate parent company with certain of the group's bankers. At 31 December 2000 this amounted to £736 million (January 2000: £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.

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.