

**SCOTTISH DAILY RECORD & SUNDAY
MAIL LIMITED**

Report and Financial Statements

30 December 2001

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



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COMPANIES HOUSE 21/08/02**

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir A Grossart
M T Hollinshead
P A Vickers
M Ewing
M D Haysom

SECRETARY

T M Secretaries Limited

REGISTERED OFFICE

One Central Quay
Glasgow
G3 8DA

BANKERS

Royal Bank of Scotland plc
10 Gordon Street
Glasgow
G1 3PL

SOLICITORS

Mc Grigor Donald.
Pacific House
70 Wellington Street
Glasgow
G2 6SB

AUDITORS

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 December 2001.

PRINCIPAL ACTIVITY

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

REVIEW OF ACTIVITIES

The company's results for the year are set out on page 8. 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 £13,310,000 (Year ended 31 December 2000 (restated) - £11,384,000). No dividend (Year ended 31 December 2000 - £Nil) was paid during the year. The retained profit for the financial year of £13,310,000 (year ended 31 December 2000 (restated) - £11,384,000) has been transferred to reserves.

DIRECTORS

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

J G Leslie	(appointed 1 October 2001, resigned 20 December 2001)
P G Vickery	(appointed 23 July 2001, resigned 20 December 2001)
A Rennie	(resigned 20 December 2001)
K J Morrison	(resigned 20 December 2001)
F Haynes	(resigned 20 December 2001)
D M West	(resigned 20 December 2001)
P G Cox	(resigned 20 December 2001)
C P Graf	(resigned 20 December 2001)
S W Sampson	(resigned 20 December 2001)
J G Foley	(resigned 20 December 2001)
K Hughes	(resigned 20 December 2001)
P C Moore	(resigned 17 August 2001)
J W Anderson	(resigned 31 May 2001)
Sir A Grossart	
M T Hollinshead	
P A Vickers	
M Ewing	
M D Haysom	

The ultimate parent company at 30 December 2001 was Trinity Mirror plc.

The corporate director has had no interests in the shares of the company, its fellow subsidiaries or its ultimate parent company at any time.

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

	30 December 2001	31 December 2000
	Options	Options
M T Hollinshead	28,262	28,262

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

DIRECTORS' REPORT (continued)

SECRETARY

J G Foley resigned and T M Secretaries Limited was appointed, as company secretary on 11 March 2002.

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 £6,000 (year to December 2000 - £19,000) were made during the year for charitable purposes. No political donations were made during the year.

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 57 days (31 December 2000: 81 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").

Pension schemes

The company participates in the pension schemes of the Group as described in Note 5 to the financial statements.

AUDITORS

An elective resolution has been passed to dispense with the need to reappoint auditors annually.

DIRECTORS' REPORT (continued)

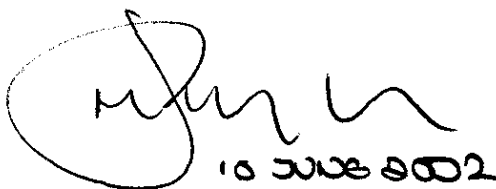
STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



10 June 2002



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

We have audited the financial statements of Scottish Daily Record & Sunday Mail Limited for the year ended 30 December 2001 set out on pages 8 to 21 which have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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 30 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants and Registered Auditors

11 June 2002

PROFIT AND LOSS ACCOUNT**Year ended 30 December 2001**

	Note	Year ended 30 December 2001 £'000	Year ended 31 December 2000 (restated) £'000
TURNOVER	2	110,103	110,370
Cost of sales		(69,576)	(68,435)
GROSS PROFIT		40,527	41,935
Net operating expenses	3	(20,270)	(24,414)
OPERATING PROFIT	4	20,257	17,521
Income from investments	6	32	446
Interest payable	7	(257)	(383)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,032	17,584
Tax on profit on ordinary activities	8	(6,722)	(6,200)
Retained profit for the financial year	17	13,310	11,384

All turnover and results arose from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**Year ended 30 December 2001**

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 (restated) £'000
Profit for the financial year	13,310	11,384
Total recognised gains and losses in the period	13,310	11,384
Prior period adjustment (note 15)	(4,142)	-
Total recognised gains and losses since last annual accounts	9,168	11,384

The statement of total recognised gains and losses for the year ended 31 December 2000 has been restated for the adoption of FRS 19.

BALANCE SHEET
30 December 2001

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 30 December 2001

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 (restated) £'000
Reported profit on ordinary activities before taxation	20,032	17,584
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	227	131
Historical cost profit on ordinary activities before taxation	20,259	17,715
Historical cost profit for the year after taxation and dividends	13,537	11,515

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 30 December 2001

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 (restated) £'000
Profit on ordinary activities after taxation	13,310	11,384
Net additions to shareholders' funds	13,310	11,384
Opening shareholders' funds (as restated)	48,367	36,983
Closing shareholders' funds	61,677	48,367

Shareholders' funds at 3 January 2000 have been restated to reflect the adoption of FRS 19 as follows:

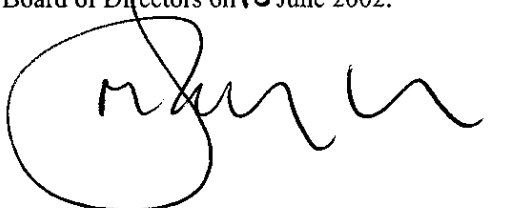
	£'000
Shareholders' funds at 3 January 2000 as previously reported	39,939
Restatement due to FRS 19	(2,956)
Shareholders' funds at 3 January 2000 as restated	36,983

BALANCE SHEET
30 December 2001

	Note	30 December 2001 £'000	31 December 2000 (restated) £'000
FIXED ASSETS			
Tangible assets	9	63,295	66,626
Investments	10	7,421	7,421
		<u>70,716</u>	<u>74,047</u>
CURRENT ASSETS			
Stocks	11	52	41
Debtors	12	393,923	313,665
Property held for resale		1,335	1,335
Cash at bank and in hand		934	271
		<u>396,244</u>	<u>315,312</u>
CREDITORS: amounts falling due within one year	13	<u>(396,658)</u>	<u>(332,216)</u>
NET CURRENT LIABILITIES		<u>(414)</u>	<u>(16,904)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		70,302	57,143
CREDITORS: amounts falling due after more than one year	14	-	(1,744)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(8,625)</u>	<u>(7,032)</u>
NET ASSETS		<u>61,677</u>	<u>48,367</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,022	1,022
Share premium account	17	18	18
Revaluation reserve	17	6,903	6,903
Profit and loss account	17	53,734	40,424
EQUITY SHAREHOLDERS' FUNDS		<u>61,677</u>	<u>48,367</u>

These financial statements were approved by the Board of Directors on 10 June 2002.

Signed on behalf of the Board of Directors



NOTES TO THE ACCOUNTS**Year ended 30 December 2001****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.

Basis of preparation

The financial statements reflect the adoption of Financial Reporting Standards 18 "Accounting Policies" and 19 "Deferred Tax". The adoption of FRS 18 has not had an impact on the profit and loss account or the balance sheet.

The profit and loss account, balance sheet and associated notes reflect the adoption of FRS 19 and the prior period figures have been restated, where applicable, to reflect the full provision for deferred tax on timing differences.

The company has also made the necessary disclosures in respect of FRS 17 "Retirement benefits" under the transitional arrangements. There has been no impact on the profit and loss account or balance sheet in 2001.

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

Deferred taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. No provision is made for deferred tax on investment revaluations. The company has elected not to discount the deferred tax assets and liabilities.

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.

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

1. ACCOUNTING POLICIES (Continued)

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 contributes to the MGN Pension Scheme, a defined benefit scheme. The company charges the regular costs of providing pension benefits to the profit and loss account so as to spread the cost of pensions over the average working lives of employees in the scheme, in accordance with the recommendations of qualified actuaries. Variations from the regular cost are spread over the average estimated remaining service lives of employees in the scheme after allowing for interest on the unamortised surplus or deficit.

The MGN Pension Scheme operates for employees of a number of Trinity Mirror group companies and as such, Scottish Daily Record & Sunday Mail Limited, is unable to identify its share of the underlying assets and liabilities of the Scheme. Under Financial Reporting Standard 17 "FRS 17" the actual cost of providing pensions to the company will be charged to the profit and loss account as incurred during the year.

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 and related activities.

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

3. NET OPERATING EXPENSES

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Distribution costs	4,073	3,675
Administration expenses	16,197	20,739
	<u>20,270</u>	<u>24,414</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Impairment of tangible fixed assets	-	6,900
Depreciation - owned assets	4,694	4,362
- leased assets	377	377
Operating lease rentals - plant and machinery	420	410
- other	161	166
	<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 (Year ended to 31 December 2000 - £19,000).

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs are as follows:

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Wages and salaries	16,759	16,188
Social security costs	1,398	1,431
Pension cost	989	857
	<u>19,146</u>	<u>18,476</u>

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

	No	No
Production and editorial	301	257
Selling and distribution	84	106
Administration	56	34
	<u>441</u>	<u>397</u>

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS (Continued)

Directors' emoluments

The corporate director received no remuneration from the company, is not a member of any pension scheme and has no options or interests in the company or its ultimate parent.

Five (year ended 31 December 2000 - seven) of the other directors were remunerated by the parent company Trinity Mirror plc for their services to the group as a whole. Their emoluments are disclosed in the financial statements of Trinity Mirror plc.

Eighteen of the other directors were members of the group's defined benefit pension arrangements (year ended 31 December 2000 - twenty).

None of the other directors exercised part of their share options in the ultimate parent company during the year (year ended 31 December 2000 - none).

The emoluments of the remaining other directors were:

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Emoluments of directors	972	1,316
Pension contributions	-	171
Compensation for loss of office	-	459
	<u>972</u>	<u>1,946</u>

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

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Emoluments	529	315
Compensation for loss of office	-	629
Accrued pension	232	-
Pension contributions to money purchase schemes	118	68
	<u>879</u>	<u>1,012</u>

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS (Continued)

Pensions

The company contributes to the MGN Pension Scheme, a defined benefit scheme.

The scheme provides benefits based on final pensionable pay and is set up under a trust which holds the assets of the scheme separately from the company.

The pension cost is assessed in accordance with the advice of qualified actuaries using the projected unit method. The last formal actuarial valuation of the MGN Pension Scheme was prepared as at 31 December 2000. At the date of the revaluation the actuarial value of the assets in the scheme was sufficient to cover 91% of the accrued benefits of the members, after allowing for projected salaries on the basis of the following assumptions:

Pension increases (1992 – 1997)	3.00%
Pension increases (1997 onwards)	3.75%
Pay increases	5.00%
Overall investment return	7.80%
Dividend yield	2.85%
Price inflation	3.50%

The implications of the deficit for the employer are an increased contribution rate effective from 1 January 2002.

Accrued pension costs at 30 December 2001 were £Nil (Year ended 31 December 2000 - £Nil).

6. INCOME FROM INVESTMENTS

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Dividends receivable from listed investments	32	446

7. INTEREST PAYABLE

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Finance leases	252	59
Loan notes	5	324
	257	383

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 (restated) £'000
Tax charge in year		
Profit on ordinary activities before tax	20,032	17,584
Current tax:		
Group relief payable	5,229	6,447
Deferred tax:		
Deferred tax charge/(credit) for the current year	1,154	(247)
Adjustment to prior year	339	-
	<u>6,722</u>	<u>6,200</u>

The prior period tax charge has been increased by £1,186,351 to reflect the adoption of FRS 19, which requires deferred tax to be provided on a full provision basis. The impact of the adoption of FRS 19 on the 2001 tax charge amounted to a £1,492,042 increase in the taxation charge.

Reconciliation of current tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2000 – 30%). The current tax charge for the year is less than 30% (2000 – was more than 30%) for the reasons set out in the following reconciliation:

	200	200
UK standard rate of corporation tax	30.0	30.0
Permanent items	0.6	13.1
Capital allowances for the period in excess of depreciation	(4.5%)	(6.4%)
Total current tax charge for year	<u>26.1</u>	<u>36.7</u>

NOTES TO THE ACCOUNTS
Year ended 30 December 2001

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2001	41,588	68,026	1,622	111,236
Disposals	-	(254)	(64)	(318)
Write off of fully depreciated assets	-	(13,456)	(1,444)	(14,900)
Reclassification Of Assets	65	(617)	551	(1)
Additions	205	1,384	73	1,662
Transfers from group companies	-	491	501	992
At 30 December 2001	41,858	55,574	1,239	98,671
Depreciation				
At 1 January 2001	602	43,172	836	44,610
Disposals	-	(254)	(64)	(318)
Write off of fully depreciated assets	-	(13,456)	(1,444)	(14,900)
Reclassification Of Assets	45	(890)	844	(1)
Charge for the year	736	4,121	214	5,071
Transfers from group companies	-	491	423	914
At 30 December 2001	1,383	33,184	809	35,376
Net book value				
At 30 December 2001	40,475	22,390	430	63,295
At 31 December 2000	40,986	24,854	786	66,626

The net book value of plant and machinery includes £5,088,000 (31 December 2000 - £5,274,000) in respect of assets held under finance leases.

Included in freehold land and buildings are revalued properties with a net book value of £26,848,000 (31 December 2000- £27,983,000).

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:

	30 December 2001 £'000	31 December 2000 £'000
Cost	23,852	23,804
Aggregate depreciation on cost	(2,895)	(2,724)
	20,957	21,080

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

9. 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	37,752	55,363	664	93,779
Accumulated depreciation	(3,320)	(25,675)	(292)	(29,287)
Net book value				
At 30 December 2001	34,432	29,688	372	64,492
At 31 December 2000	34,083	24,854	786	59,723

Capital Commitments

At 30 December 2001 the company had no capital commitments (year ended 31 December 2000 - £nil).

10. INVESTMENTS

	30 December 2001 £'000	31 December 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
Year ended 30 December 2001

11. STOCKS

	30 December 2001 £'000	31 December 2000 £'000
Raw materials and consumables	52	41

12. DEBTORS

	30 December 2001 £'000	31 December 2000 £'000
Amounts owed by group undertakings		
Fellow subsidiaries	391,574	312,648
Other debtors	209	-
Prepayments and accrued income	2,140	1,017
	<u>393,923</u>	<u>313,665</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 December 2001 £'000	31 December 2000 £'000
Loan notes	586	1,002
Obligations under finance leases	1,772	3,274
Amounts owed to group undertakings		
Ultimate parent company	9,176	-
Fellow subsidiaries	360,864	302,586
Corporation tax payable	1,055	6,447
Other taxation and social security	1,936	1,877
Other creditors	315	320
Accruals and deferred income	20,954	16,710
	<u>396,658</u>	<u>332,216</u>

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

	30 December 2001 £'000	31 December 2000 £'000
Obligations under finance leases:		
Between one and two years	-	1,744

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

NOTES TO THE ACCOUNTS

Year ended 30 December 2001

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Other provisions £'000	Deferred taxation (restated) £'000	Total £'000
At 1 January 2001 as previously reported	-	2,890	2,890
Restatement due to FRS 19	-	4,142	4,142
At 1 January 2001 as restated	-	7,032	7,032
Profit and loss account charge	100	1,493	1,593
At 30 December 2001	100	8,525	8,625

The amounts provided in the accounts are as follows:

	30 December 2001 £'000	31 December 2000 £'000
Capital allowances for the period in excess of depreciation	7,620	7,142
Other short term timing differences	905	(110)
	8,525	7,032

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

16. CALLED UP SHARE CAPITAL

	30 December 2001 £'000	31 December 2000 £'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

17. RESERVES

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account (restated) £'000
Balance at 1 January 2001 as previously reported	18	6,903	44,566
Restatement due to FRS19	-	-	(4,142)
Balance at 1 January 2001 as restated	18	6,903	40,424
Retained profit for the financial year	-	-	13,310
At 31 December 2001	18	6,903	53,734

NOTES TO THE ACCOUNTS**Year ended 30 December 2001****18. FINANCIAL COMMITMENTS**

At 30 December 2001, 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	Total £'000
Operating leases which expire:			
Within one year	3	81	81
Between two and five years	16	339	355
After five years	142	-	142

19. 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 30 December 2001 this amounted to £689 million (year ended December 2000 - £736 million). Consequently, the company is dependent on the support of Trinity Mirror plc.

20. 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 21.

21. 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.