

**SCOTTISH DAILY RECORD AND SUNDAY
MAIL LIMITED**

Report and Financial Statements

2 January 2005



SCOTTISH DAILY RECORD AND SUNDAY MAIL LIMITED

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SCOTTISH DAILY RECORD AND SUNDAY MAIL LIMITED

OFFICERS AND REGISTERED OFFICE

DIRECTORS

Sir A Grossart
M T Hollinshead
P A Vickers
V L Vaghela

SECRETARY

T M Secretaries Limited

REGISTERED OFFICE

One Central Quay
Glasgow
G3 8DA

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 2 January 2005.

PRINCIPAL ACTIVITY

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

REVIEW OF ACTIVITIES

The company's results for the 53 week period are set out on page 6. The directors are satisfied with the performance of the company and look forward to the future with optimism.

On 29th December 2003, the trade and associated assets of Insider Publications Limited, a fellow subsidiary were transferred to Scottish Daily Record and Sunday Mail Limited.

RESULTS AND TRANSFER TO RESERVES

The profit on ordinary activities before taxation amounted to £25,217,000 (period ended 28 December 2003 - £24,172,000). A dividend of £106,000,000 was paid during the period (period ended 28 December 2003 - £nil). The retained loss for the 53 week period of £89,149,000 (period ended 28 December 2003 retained profit - £17,338,000) has been transferred to reserves.

DIRECTORS

The current directors are listed on page 1. All directors served throughout the period.

The ultimate parent company at 2 January 2005 was Trinity Mirror plc.

The Directors have no interests in other companies other than those disclosed below:

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:

	2 January 2005 Options	28 December 2003 Options
M T Hollinshead	1,104	28,262

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

The report and financial statements of the ultimate parent company details the interests of Sir A Grossart, P A Vickers and V L Vaghela in the shares of that company.

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 £6,153 (period ended 28 December 2003 - £1,200) were made during the period for charitable purposes. No political donations were made during the period.

DIRECTORS' REPORT (CONTINUED)

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 29 days (28 December 2003 - 45 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.

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



V L Vaghela

Director

14th April 2005

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.

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

We have audited the financial statements of Scottish Daily Record and Sunday Mail Limited for the 53 weeks ended 2 January 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 period 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 2 January 2005 and of its profit for the 53 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

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2005

PROFIT AND LOSS ACCOUNT**53 weeks ended 2 January 2005**

	Note	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
TURNOVER	2	114,903	107,874
Cost of sales		(68,883)	(61,538)
GROSS PROFIT		46,020	46,336
Net operating expenses	3	(19,869)	(20,887)
Exceptional items	4	(1,045)	(1,323)
Other operating income		3	6
OPERATING PROFIT	4	25,109	24,132
Income from fixed asset investments	6	148	48
Interest payable and similar charges	7	(40)	(8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,217	24,172
Tax charge on profit on ordinary activities	8	(8,366)	(6,834)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		16,851	17,338
Dividends	9	(106,000)	-
RETAINED (LOSS) / PROFIT FOR THE PERIOD	18	(89,149)	17,338

All turnover and results arose from continuing operations.

There are no recognised gains or losses in the current or prior periods except as set out in the profit and loss account. Accordingly a statement of total recognised gains and losses has not been presented.

NOTE OF HISTORICAL COST PROFITS AND LOSSES**53 weeks ended 2 January 2005**

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Reported profit on ordinary activities before taxation	25,217	24,172
Realisation of land and buildings revaluation gains of earlier years	-	6,449
Historical cost profit on ordinary activities before taxation	25,217	30,621
Historical cost (loss) / profit for the period after taxation and dividends	(89,149)	37,011

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**53 weeks ended 2 January 2005**

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Profit for the financial period	16,851	17,338
Dividends	(106,000)	-
Net additions to shareholders' funds	(89,149)	17,338
Opening shareholders' funds	95,984	78,646
Closing shareholders' funds	6,835	95,984

BALANCE SHEET
2 January 2005

	Note	2 January 2005 £'000	28 December 2003 £'000
FIXED ASSETS			
Intangible Assets	10	175	46
Tangible assets	11	13,723	14,156
Investments	12	25,438	7,505
		<u>39,336</u>	<u>21,707</u>
CURRENT ASSETS			
Stocks	13	49	26
Debtors	14	585,911	563,227
Property held for resale		1,000	1,000
Cash at bank and in hand		1,089	626
		<u>588,049</u>	<u>564,879</u>
CREDITORS: amounts falling due within one year	15	<u>(620,450)</u>	<u>(490,502)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(32,401)</u>	<u>74,377</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,935	96,084
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(100)</u>	<u>(100)</u>
NET ASSETS		<u>6,835</u>	<u>95,984</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,022	1,022
Share premium account	18	18	18
Profit and loss account	18	5,795	94,944
EQUITY SHAREHOLDERS' FUNDS		<u>6,835</u>	<u>95,984</u>

These financial statements were approved by the Board of Directors on *14th April* 2005.

Signed on behalf of the Board of Directors



V L Vaghela

Director

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 January 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom 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.

Basis of preparation

The financial statements are prepared under the historical cost convention.

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. A deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The company has elected not to discount the deferred tax assets and liabilities.

Intangible fixed assets - goodwill

Goodwill arising from the purchase of businesses and magazine titles is capitalised as an intangible fixed asset in the year in which it arises and is amortised over its estimated useful life of 10 years.

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 9. Depreciation is provided on all assets 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 freehold land or assets in the course of construction. Depreciation periods applied are as follows:

Buildings	50 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 FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

1. ACCOUNTING POLICIES (continued)

Finance and operating leases

Where the company has substantially all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. Other leases are treated as operating leases. Future instalments payable under finance leases, net of finance charges, are included in creditors with the corresponding asset values recorded in tangible fixed assets and depreciated over the shorter of their estimated useful lives or their lease terms. Payments are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the outstanding obligation for future instalments. Operating lease payments are charged to the profit and loss account in equal amounts over the period of the lease.

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 MGN Pension Scheme operates for employees of a number of Trinity Mirror group companies and as such, Scottish Daily Record and 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.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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 consolidated financial statements are not prepared as the company is exempt from preparing consolidated financial statements (under s228, CA85) on the grounds that it is a wholly owned subsidiary of Trinity Mirror plc, a company registered in England and Wales. Consequently the financial statements reflect the company as an individual undertaking. 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 which are publicly available. Consequently the company is exempt under the provisions of Financial Reporting Standard 1 (revised) - "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 its principal activity, newspaper publishing.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

3. NET OPERATING EXPENSES

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Distribution costs	4,009	3,778
Administration expenses	15,860	17,109
	<u>19,869</u>	<u>20,887</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Depreciation - owned assets	927	903
- leased assets	-	-
Amortisation of goodwill	8	6
Operating lease rentals - plant and machinery	-	-
- other	210	220
Exceptional items:		
Profit on sale of fixed assets	-	(650)
Redundancy	1,045	1,973
	<u>1,045</u>	<u>1,973</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 £24,000 (year ended 28 December 2003 - £21,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
53 weeks ended 2 January 2005

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs excluding directors are as follows:

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Wages and salaries	18,973	17,911
Social security costs	1,788	1,597
Pension cost	1,357	1,250
	<u>22,118</u>	<u>20,758</u>

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

	No	No
Production and editorial	350	330
Selling and distribution	136	120
Administration	84	83
	<u>570</u>	<u>533</u>

The above excludes 103 (2003: 90) casual workers due to the impracticality of determining regular and occasional workers.

Directors' emoluments

Three (period ended 28 December 2003 - four) of the directors were remunerated by the parent company Trinity Mirror plc for their services to the group as a whole. It is impractical to allocate the cost to each company. Their emoluments are disclosed in the financial statements of Trinity Mirror plc.

Four of the directors were members of the group's defined benefit pension arrangements (period ended 28 December 2003 - Five).

One of the directors exercised part of their share options in the ultimate parent company during the period (period ended 28 December 2003 - one), with an aggregate gain of £28,787 (2003 - £89,419).

The emoluments of the remaining other director was:

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Emoluments of directors	225	195
Pension contributions	11	70
	<u>236</u>	<u>265</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS (CONTINUED)

Pensions

The company contributes to the MGN Pension Scheme, a defined benefit multi employer 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 costs of this scheme are assessed across its membership as a whole, and it is not possible to determine the share of the scheme's assets and liabilities that relates to Scottish Daily Record and Sunday Mail Limited. Accordingly, the requirements of FRS17 "Pension Costs" relating to multi-employer schemes apply and the company financial statements for the scheme as if it were a defined contribution scheme. The pension costs included in the profit and loss account are £1,357,120 (2003: £1,299,406). In accordance with FRS17, a valuation of the whole scheme was prepared as at 31 December 2004, using actuarial bases and assumptions consistent with the requirements of that standard, and showed scheme assets representing 78% of scheme liabilities. Further information on the scheme and the actuarial valuations is given in the financial statements of Trinity Mirror plc.

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 2002. At the date of the updated valuation the actuarial value of the assets in the scheme was sufficient to cover 84% of the accrued benefits of the members, after allowing for projected salaries on the basis of the following assumptions:

Pension increases (1992 – 1997)	3.0%pa
Pension increases (1997 onwards)	3.5%pa
Pay increases	3.8%pa
Overall investment return	5.5%pa post – retirement/7.0%pa pre-retirement
Dividend yield	3.88%pa
Price inflation	3.50%pa

The implications of the deficit for the employer are an increase in the future service contribution rate of 1.1% to 11.1% effective from 1 January 2004 and a deficit payment of £3.0m per annum for 10 years paid by monthly instalments from 1 January 2004 and subject to annual review.

Accrued pension costs at 2 January 2005 were £nil (period ended 28 December 2003 - £nil).

The accounts of the ultimate parent company, Trinity Mirror plc, contain full disclosure details of the scheme. The accounts of Trinity Mirror plc are publicly available.

The company also contributes to the Trinity Mirror Pension plan, a defined contribution scheme for which the pension cost for the period ended 2 January 2005 was £41,377 (2003: £6,821). At 2 January 2005 there were no outstanding/prepaid contributions (2003: £nil)

6. INCOME FROM INVESTMENTS

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Dividends received from subsidiary undertakings	148	48

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

7. INTEREST PAYABLE

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Loan notes	15	8
Termination of lease	25	-
	<u>40</u>	<u>8</u>

8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Tax charge in period		
Profit on ordinary activities before tax	<u>25,217</u>	<u>24,172</u>
Current tax:		
Corporation tax charge for current period	7,669	30
Group relief payable	-	6,522
Adjustment to prior period	619	(5)
Deferred tax:		
Deferred tax charge for the current period	19	226
Adjustment to prior period	<u>59</u>	<u>61</u>
	<u>8,366</u>	<u>6,834</u>

Included within the corporation tax charge for the period is a tax credit of £313,500 in respect of exceptional items shown in the profit and loss account after operating profit (see note 4).

Reconciliation of current tax charge

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 30% (2003 - 30%). The current tax charge for the period is more than 30% (2003 - was less than 30%) for the reasons set out in the following reconciliation:

	2005	2003
UK standard rate of corporation tax	30.0%	30.0%
Permanent items	0.5%	(0.3%)
Capital allowances in excess of depreciation	(0.4%)	(2.4%)
Other short term timing differences	0.3%	(0.2%)
Prior year adjustment	<u>2.5%</u>	<u>-%</u>
Total current tax charge for period	<u>32.9%</u>	<u>27.1%</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

9. DIVIDENDS

	53 weeks ended 2 January 2005 £'000	52 weeks ended 28 December 2003 £'000
Dividends paid	106,000	-

A dividend of £106,000,000 (£103.70 per share) has been paid in the period ended 2 January 2005 (2003: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

10. INTANGIBLE FIXED ASSETS

	2 January 2005 £'000	28 December 2003 £'000
Cost		
At beginning of period	52	-
Additions	137	52
At end of period	189	52
Amortisation		
At beginning of period	6	-
Charge for the period	8	6
At end of period	14	6
Net Book Value		
At beginning of period	46	-
At end of period	175	46

Intangible fixed assets at the beginning of the period represent publishing rights relating to the Scottish Rugby Magazine. The publishing rights were previously treated as goodwill but have now been reclassified. The publishing rights relating to the Scottish Rugby Magazine are being written off over 10 years which is the directors' estimate of the expected useful life.

The addition during the year relates to publishing rights on the East End Independent which were transferred from Scottish and Universal Newspapers Limited, a fellow group subsidiary.

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings & motor vehicles £'000	Total £'000
Cost or valuation				
At 29 December 2003	14,118	4,253	1,163	19,534
Additions	-	484	10	494
Disposals	-	-	(25)	(25)
At 2 January 2005	14,118	4,737	1,148	20,003
Depreciation				
At 29 December 2003	978	3,422	978	5,378
Charge for the period	283	518	126	927
Disposals	-	-	(25)	(25)
At 2 January 2005	1,261	3,940	1,079	6,280
Net book value				
At 2 January 2005	12,857	797	69	13,723
At 28 December 2003	13,140	831	185	14,156

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
53 weeks ended 2 January 2005

12. INVESTMENTS

	2 January 2005 £'000	28 December 2003 £'000
Investments in group undertakings		
At 29 December 2003	7,505	7,505
Additions	18,000	-
Disposals	(67)	-
At 2 January 2005	<u>25,438</u>	<u>7,505</u>

The addition represents the shares in Saltire Press Limited which became allotted and fully paid during the period.

The disposal during the period relates to Scottish Opinion Limited, a joint venture in which the company previously had a 51% holding.

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	Non-trading	100%
Insider Publications Limited	Non-trading	100%
Metropolitan Free Newspapers Limited	Holding company	100%
Saltire Press Limited	Trading company	100%
Newsday Limited	Dormant	100%
Scotfree Limited	Dormant	100%
<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%

13. STOCKS

	2 January 2005 £'000	28 December 2003 £'000
Raw materials and consumables	<u>49</u>	<u>26</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

14. DEBTORS

	2 January 2005 £'000	28 December 2003 £'000
Trade debtors	2,109	1,837
Amounts owed by group undertakings		
Ultimate parent company	-	847
Fellow subsidiaries	580,940	557,717
Deferred tax asset	763	831
Other debtors	186	317
Other taxation and social security	374	-
Prepayments and accrued income	1,539	1,678
	<u>585,911</u>	<u>563,227</u>

	£'000	£'000
Deferred Taxation		
At 29 December 2003	(831)	8,247
Current period tax charge	19	226
Transfer to group subsidiary	(10)	(9365)
Adjustment to prior period	59	61
	<u>(763)</u>	<u>(831)</u>
At 2 January 2005		

The amounts for the deferred tax asset in the accounts are as follows:

	£'000	£'000
Capital allowances in excess of depreciation	187	61
Other short term timing differences	(950)	(892)
	<u>(763)</u>	<u>(831)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2 January 2005 £'000	28 December 2003 £'000
Loan notes	231	381
Trade creditors	348	731
Amounts owed to group undertakings		
Ultimate parent company	48,439	-
Fellow subsidiaries	559,877	465,586
Corporation tax payable	6,106	2,226
Other taxation and social security	-	2,217
Other creditors	3	318
Accruals and deferred income	5,446	19,043
	<u>620,450</u>	<u>490,502</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Property provisions £'000
At 29 December 2003	100
Current period charge	-
At 2 January 2005	<u>100</u>

17. CALLED UP SHARE CAPITAL

	2 January 2005 £'000	28 December 2003 £'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	Profit and loss account £'000
At 29 December 2003	18	94,944
Retained loss for the financial period	-	(89,149)
At 2 January 2005	<u>18</u>	<u>5,795</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

53 weeks ended 2 January 2005

19. FINANCIAL COMMITMENTS

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

	Land and Buildings	
	2 January 2005	28 December 2003
	£'000	£'000
Operating leases which expire:		
Within one year	20	220
Between two and five years	10	794
After five years	180	788

Capital Commitments

At 2 January 2005 the company had no capital commitments.

20. CONTINGENT LIABILITIES

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 2 January 2005 this amounted to £451m (year ended 28 December 2003 - £570m). Consequently, the company is dependent on the support of Trinity Mirror plc.

21. 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 22.

22. 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, One Canada Square, Canary Wharf, London, E14 5AP.