

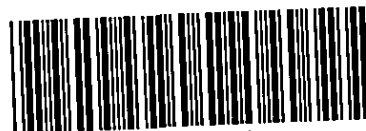
Company Registration No. SC 12921

**Scottish Daily Record and Sunday Mail
Limited**

Report and Financial Statements

52 weeks ended 28 December 2008

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Scottish Daily Record and Sunday Mail Limited

Report and financial statements for the 52 weeks ended 28 December 2008

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Scottish Daily Record and Sunday Mail Limited

**Report and financial statements for the 52 weeks ended
28 December 2008**

Officers and registered office

Directors

M T Hollinshead

P A Vickers

V L Vaghela

Secretary

T M Secretaries Limited

Registered office

One Central Quay

Glasgow

G3 8DA

Scottish Daily Record and Sunday Mail Limited

Directors' report

The directors present their annual report and the audited financial statements for the 52 weeks ended 28 December 2008.

Principal activity

The principal activity of the company is the publishing of newspapers within the Nationals division of Trinity Mirror plc group. The ultimate parent company at 28 December 2008 was Trinity Mirror plc.

Review of activities

The result for the financial period is set out in the profit and loss account on page 6. The financial position of the company is 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 dividends

The profit on ordinary activities before taxation amounted to £21,726,000 (52 weeks ended 30 December 2007: £26,255,000). A dividend of £nil was paid during the period (52 weeks ended 30 December 2007: £nil).

Principal risks and uncertainties

There is an ongoing process for the identification, evaluation and management of the significant risks faced by the company. The risks are categorised into operational, environmental and treasury risks. The key risk facing the company is the impact the recession and credit crunch have on the company's revenues and on the group financing facilities. The cost action being taken by the company and the refinancing undertaken by the group in 2008 reduce this risk. The principal risks and uncertainties of the group which include those of the company are discussed on pages 20 to 21 of the Trinity Mirror plc annual report which does not form part of this report.

Key performance indicators

The key performance indicators that the company uses to review and monitor its businesses are primarily financial. These include revenue, operating profit and operating margin, circulation volumes, unique users and reach. In a declining market, as has been experienced in 2008, the company seeks to target performance in line with or ahead of competitors or comparators taking account of the company's strategy. The development, performance and position of Trinity Mirror plc, which includes the company, is discussed in the Business Review set out on pages 11 to 21 of the Trinity Mirror plc annual report which does not form part of this report.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, currency risk, liquidity, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the credit control procedures in place.

Directors' and officers' liability insurance

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 £1,150 (52 weeks ended 30 December 2007: £2,400) were made during the period for charitable purposes. No political donations were made during the current or prior 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 30 days (30 December 2007: 30 days).

Scottish Daily Record and Sunday Mail Limited

Directors' report (continued)

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.

Pension schemes - the company participates in the pension schemes of the Group as described in Note 4 to the financial statements.

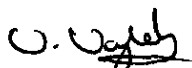
Independent auditors

The directors at the date of this report confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved and signed on behalf of the Board of Directors by



30 April 2009

Scottish Daily Record and Sunday Mail Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company 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 United Kingdom Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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. The directors 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.

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered all the factors likely to affect its future development, performance and its financial position including the matters disclosed in the Director's report. The company is part of the Trinity Mirror plc group and the going concern review completed at the date of signing of the group accounts is set out on page 34 of the Trinity Mirror plc annual report which does not form part of this report. The going concern of the company is dependent on the going concern of the Trinity Mirror plc group.

In particular the company has considered:

- the implications of the challenging economic environment on the company's revenue and profits;
- the impact on the business of key suppliers being unable to meet their obligation to the company;
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected; and
- the reliance on the group financing facilities.

At the date of signing of these financial statements the directors have considered all the factors impacting the company's and group's business, including downside sensitivities. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

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 52 weeks ended 28 December 2008 which comprise the Profit and Loss account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 20. 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 the directors and auditors

The directors' responsibilities for preparing the report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgment made by the director 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
Glasgow, United Kingdom

30 APRIL 2009

Scottish Daily Record and Sunday Mail Limited

Profit and loss account

52 weeks ended 28 December 2008

	Note	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Turnover	2	104,698	111,427
Cost of sales		(63,552)	(67,018)
Gross profit		41,146	44,409
Administrative costs	3	(15,247)	(14,025)
Selling and distribution costs		(4,171)	(4,139)
Operating profit	3	21,728	26,245
Income from fixed asset investments	5	-	14
Interest payable and similar charges	6	(2)	(4)
Profit on ordinary activities before taxation		21,726	26,255
Tax on profit on ordinary activities	7	(3,686)	(8,275)
Profit for the financial period	16	18,040	17,980

All turnover and results arose from continuing operations.

There are no recognised gains or losses in the current or prior period other than the profit set out above. Accordingly, a statement of total recognised gains and losses has not been presented.

Scottish Daily Record and Sunday Mail Limited

Reconciliation of movement in shareholders' funds 52 weeks ended 28 December 2008

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Profit for the financial period	18,040	17,980
Share-based payments credit for the period	161	113
Net increase to shareholders' funds	18,201	18,093
Opening shareholders' funds	36,917	18,824
Closing shareholders' funds	55,118	36,917

Scottish Daily Record and Sunday Mail Limited

Balance sheet 28 December 2008

	Note	28 December 2008 £'000	30 December 2007 £'000
Fixed assets			
Intangible assets	8	137	137
Tangible fixed assets	9	1,508	791
Investments	10	18,543	18,543
		<u>20,188</u>	<u>19,471</u>
Current assets			
Stocks	11	13	18
Debtors	12	191,992	148,709
Cash at bank and in hand		204	480
		<u>192,209</u>	<u>149,207</u>
Creditors: amounts falling due within one year	13	<u>(156,760)</u>	<u>(131,574)</u>
Net current assets		<u>35,449</u>	<u>17,633</u>
Total assets less current liabilities		<u>55,637</u>	<u>37,104</u>
Provisions for liabilities	14	<u>(519)</u>	<u>(187)</u>
Net assets		<u><u>55,118</u></u>	<u><u>36,917</u></u>
Capital and reserves			
Called up share capital	15	1,022	1,022
Share premium account	16	18	18
Profit and loss account	16	54,078	35,877
Shareholders' funds		<u><u>55,118</u></u>	<u><u>36,917</u></u>

These financial statements were approved by the Board of Directors on 30 April 2009.

Signed on behalf of the Board of Directors



Director

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards and have been consistently applied in the current and prior period. The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared on a going concern basis as set out on page 4.

Basis of accounting

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.

Revenue recognition

Revenue is measured at the fair value of the consideration received, net of applicable discounts and value added tax. Advertising revenue is recognised upon publication. Circulation revenue is recognised at the time of sale. Digital revenue is recognised over the period of the online campaign. Other revenue is recognised at the time of sale or provision of service.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Acquired intangible assets relating to newspaper titles are separately identified and are stated at cost at the date of acquisition. The directors are of the opinion that, based on the age of the titles and their position in the market place, in current circumstances, the titles acquired have an indefinite economic life and have therefore not been amortised but are subject to annual impairment reviews. For the purpose of impairment testing newspaper titles are tested annually or more frequently when there is an indication that the recoverable amount is less than the carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate. An impairment loss is recognised in the profit and loss account in the period it occurs and is not reversed in subsequent periods.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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:

Plant and machinery	3 to 20 years
Motor vehicles	4 years
Fixtures and fittings	5 to 15 years

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

1. Accounting policies (continued)

Investments

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

Operating leases

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. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

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, and to the Trinity Mirror Pension Plan, a defined contribution scheme.

The MGN Pension Scheme operates for employees of a number of Trinity Mirror plc 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, "Retirement Benefits", contributions paid by the company are charged to the profit and loss account as incurred during the period.

For the Trinity Mirror Pension Plan, 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 period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Share-based payments

Equity settled share-based payments are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period based on the estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The shares offered under such schemes are shares in Trinity Mirror plc, the ultimate parent company.

Consolidated financial statements and cash flows

The company is exempt under Section 228 of the Companies Act 1985 from preparing group financial statements for the company and its subsidiaries, as the company is a wholly owned subsidiary of a company incorporated in England and Wales. Therefore, these financial statements represent those of the company and not the group. The company is a wholly owned subsidiary, and the cash flows of the company are included in the consolidated cash flow statement of its parent undertaking which is 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.

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

3. Operating profit

Operating profit is stated after charging/(crediting):

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Depreciation - owned assets	317	288
Amortisation of goodwill	-	6
Operating lease rentals - other	1,588	1,606
Share based payments – unused amounts reversed	-	(60)
Restructuring costs	1,012	81

The auditors' remuneration of £48,000 (52 weeks ended 30 December 2007: £48,500) has been borne and not recharged by another group company. Fees for other services provided were £26,400 (52 weeks ended 30 December 2007: £24,000).

4. Information regarding directors and employees

Staff costs excluding directors are as follows:

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Wages and salaries	17,852	18,004
Social security costs	1,645	1,652
Pension cost	1,230	1,218
	20,727	20,874

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

	52 weeks ended 28 December 2008 No.	52 weeks ended 30 December 2007 No.
Production and editorial	294	302
Selling and distribution	121	106
Administration	64	71
	479	479

The above excludes 64 (52 weeks ended 30 December 2007: 92) casual workers due to the impracticality of determining regular and occasional workers.

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

4. Information regarding directors and employees (continued)

Directors' emoluments

Two (52 weeks ended 30 December 2007: two) of the directors were remunerated by the ultimate 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.

The remaining director is a member of the group's defined benefit pension arrangements in the current and prior period.

The remaining director exercised no share options in the ultimate parent company during the period (52 weeks ended 30 December 2007: £nil).

The emoluments of the remaining director were:

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Emoluments	289	376
Pension contributions	19	22
	<u>308</u>	<u>398</u>

Pensions

The company contributes to the MGN Pension Scheme, a defined benefit scheme, and to the Trinity Mirror Pension Plan, a defined contribution scheme.

The MGN Pension Scheme provides benefits based on final pensionable pay and is set up under a trust which holds the financial assets of the scheme separately from the company and which is controlled by trustees. Currently it is not possible to identify the company's share of those assets. The company pays contributions to the scheme at a fixed contribution rate, which is charged directly to the profit and loss account. Contributions to the scheme for the period were £1,148,000 (52 weeks ended 30 December 2007: £1,154,000). Accrued pension costs at 28 December 2008 were £nil (30 December 2007: £nil).

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 2007 using the following assumptions:

Pension increases (pre 1997)	3.00% pa
Pension increases (post 1997)	3.60% pa
Pay increases	4.40% pa
Inflation rate	3.40% pa

Contributions to the Trinity Mirror Pension Plan were £101,000 (52 weeks ended 30 December 2007: £86,000). At 28 December 2008 there was £nil of outstanding or prepaid contributions (30 December 2007: £nil).

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

4. Information regarding directors and employees (continued)

The defined benefit pension scheme of the group to which the company contributes and the deficit at the latest valuation date was as follows:

	Latest Valuation Date	Deficit £m	Contribution Rate %
MGN Pension Scheme	31 December 2007 (signed October 2008)	(55.7)	Increasing from 12% to 15% in 2009

Agreements have been reached with the trustees of the defined benefit pension schemes for annual deficit funding payments to be made. These deficit funding payments for each scheme are borne and not recharged by the respective sponsoring entity in the group.

The accounts of the ultimate parent company, Trinity Mirror plc, contain full disclosure details of the schemes.

5. Income from fixed asset investments

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Dividends received from investments	-	14

6. Interest payable and similar charges

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Loan notes	2	4

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

7. Tax on profit on ordinary activities

	52 weeks ended 28 December 2008 £'000	52 weeks ended 30 December 2007 £'000
Current tax:		
Group relief payable	6,284	-
Corporation tax payable	-	7,925
Adjustment to prior period	(2,552)	264
Deferred tax:		
Deferred tax (credit)/charge for the current period	(46)	57
Adjustment to prior period	-	(15)
Effect of change in tax laws	-	36
Effect of change in tax rate	-	8
Total tax charge	3,686	8,275

Included within the corporation tax charge is a tax credit of £288,000 (52 weeks ended 30 December 2007: £6,300) in respect of exceptional items shown in the profit and loss account before operating profit (see note 3).

Reconciliation of current tax charge

The rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. The standard rate of current tax for the period is, therefore 28.5% (52 weeks ended 30 December 2007: 30%). The actual rate of current tax for the period is less than 28.5% (52 weeks ended 30 December 2007: more than 30%) for the reasons set out in the following reconciliation:

	52 weeks ended 28 December 2008 %	52 weeks ended 30 December 2007 %
UK standard rate of corporation tax	28.5	30.0
Expenses not deductible for tax purposes	0.2	0.4
Capital allowances in excess of depreciation	(0.1)	0.1
Other short term timing differences	0.3	(0.3)
Prior period adjustment	(11.7)	1.0
Actual rate of current tax for the period	17.2	31.2

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

8. Intangible assets

	28 December 2008 £'000	30 December 2007 £'000
Cost		
At beginning of period	137	189
Written off	-	(52)
At end of period	<u>137</u>	<u>137</u>
Amortisation		
At beginning of period	-	29
Charge for the period	-	6
Written off	-	(35)
At end of period	<u>-</u>	<u>-</u>
Net Book Value		
At end of period	<u>137</u>	<u>137</u>
At beginning of period	<u>137</u>	<u>160</u>

Intangible fixed assets represent publishing rights relating to the East End Independent. There is no amortisation on the publishing rights of the East End Independent since the directors believe it to have an indefinite life.

9. Tangible fixed assets

	Plant and machinery £'000	Fixtures, fittings and motor vehicles £'000	Total £'000
Cost			
At beginning of period	5,549	1,380	6,929
Additions	1,024	10	1,034
At end of period	<u>6,573</u>	<u>1,390</u>	<u>7,963</u>
Depreciation			
At beginning of period	4,974	1,164	6,138
Charge for the period	291	26	317
At end of period	<u>5,265</u>	<u>1,190</u>	<u>6,455</u>
Net book value			
At 28 December 2008	<u>1,308</u>	<u>200</u>	<u>1,508</u>
At 30 December 2007	<u>575</u>	<u>216</u>	<u>791</u>

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

10. Investments

	28 December 2008 £'000	30 December 2007 £'000
Cost		
Investments in group undertakings		
At beginning and end of period	25,438	25,438
Provisions for impairment		
At beginning and end of period	(6,895)	(6,895)
At beginning and end of period	18,543	18,543

Investments are stated at cost less any provision for impairment.

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	Dormant	100%
Insider Publications Limited	Dormant	100%
Metropolitan Free Newspapers Limited	Holding company	100%
Saltire Press Limited	Dormant	100%
Newsday Limited	Dormant	100%
Scotfree Limited	Dormant	100%
<i>Indirect interests in Group undertakings</i>		
Press Association	Active	10%
Insider Group Limited	Dormant	100%
Glaswegian Publications Limited	Dormant	100%
The Edinburgh and Lothians Post Limited	Dormant	100%
Dundonian Publications Limited	Dormant	100%
Aberdonian Publications Limited	Dormant	100%

11. Stocks

	28 December 2008 £'000	30 December 2007 £'000
Raw materials and consumables	13	18

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

12. Debtors

	28 December 2008 £'000	30 December 2007 £'000
Trade debtors	6,107	6,979
Amounts owed by immediate parent company	9,916	17,963
Amounts owed by fellow subsidiaries	173,555	121,561
Deferred tax asset	110	64
Other debtors	120	93
Prepayments and accrued income	2,184	2,049
	<u>191,992</u>	<u>148,709</u>

Deferred taxation	28 December 2008 £'000	30 December 2007 £'000
At beginning of period	64	150
Elimination of deferred tax asset relating to industrial buildings allowance	-	(36)
Effect of change in rate of corporation tax	-	(8)
	<u>64</u>	<u>106</u>
Revised opening balance	-	15
Adjustment to prior period	46	(57)
	<u>110</u>	<u>64</u>
At end of period		

In the prior period a change in legislation regarding industrial buildings allowances reduced the deferred tax liability at 30 December 2007 by £36,000, and this is reflected in the tax charge in the profit and loss account. Also in the prior period the opening deferred tax provision was remeasured due to the reduction in the standard rate of corporation tax from 30% to 28% from 1 April 2008, resulting in a credit of £8,000 to the profit and loss account.

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

	£'000	£'000
Capital allowances in excess of depreciation	(54)	(43)
Other short term timing differences	155	107
Share-based payments	9	-
	<u>110</u>	<u>64</u>

Scottish Daily Record and Sunday Mail Limited

Notes to the accounts

52 weeks ended 28 December 2008

13. Creditors: amounts falling due within one year

	28 December 2008 £'000	30 December 2007 £'000
Loan notes	27	56
Trade creditors	627	651
Amounts owed to ultimate parent company	11,050	18,555
Amounts owed to fellow subsidiaries	141,126	104,830
Corporation tax payable	-	2,541
Other taxation and social security	356	454
Accruals and deferred income	3,574	4,487
	<u>156,760</u>	<u>131,574</u>

Loan notes of £27,400 (30 December 2007: £56,400) are unsecured, repayable on 30 June 2009 and bear interest at 3% over LIBOR.

14. Provisions for liabilities

	Share-based payments £'000	Restructuring £'000	Total £'000
At beginning of period	20	167	187
Additions	14	1,012	1,026
Utilised in period	-	(694)	(694)
At end of period	<u>34</u>	<u>485</u>	<u>519</u>

The share-based payments provision relates to national insurance obligations attached to the future crystallisation of share-based payments.

The restructuring provision relates to the non-recurring restructuring severance costs incurred in delivery of cost-reduction measures. These amounts are expected to be paid in full during 2009.

15. Called up share capital

	28 December 2008 £'000	30 December 2007 £'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>

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Notes to the accounts

52 weeks ended 28 December 2008

16. Reserves

	Share Premium Account £'000	Distributable Reserves £'000	Non- Distributable Reserves £'000	Total £'000
At 31 December 2007	18	22,952	12,925	35,895
Profit for the financial period	-	18,040	-	18,040
Share-based payments	-	161	-	161
At 28 December 2008	18	41,153	12,925	54,096

Non distributable reserves relate to the gain on sale of property to a fellow subsidiary in a prior period.

17. Operating lease commitments

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

	Land and buildings	
	28 December 2008 £'000	30 December 2007 £'000
Operating leases which expire:		
Within one year	3	3
Between two and five years	-	-
After five years	1,586	1,586
	1,589	1,589

18. 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 28 December 2008 this amounted to £405 million (30 December 2007: £455 million).

19. Ultimate parent company and immediate parent company

In the opinion of the directors, the company's ultimate parent company and controlling entity at 28 December 2008 was Trinity Mirror plc, a company incorporated and registered in England and Wales. Trinity Mirror plc is the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements are available from its registered office at One Canada Square, Canary Wharf, London, E14 5AP.

The company's immediate parent undertaking is MGL2 Limited a company registered in England and Wales.

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 19.