

Company Registration No. SC 12921

**Scottish Daily Record and Sunday Mail
Limited**
Report and Financial Statements

53 weeks ended 3 January 2010

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Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

**Report and financial statements for the 53 weeks ended
3 January 2010**

Contents	Page
Officers and registered office	1
Directors' report	2
Statement of directors' responsibilities	4
Going concern basis	4
Independent auditors' report	5
Profit and loss account	6
Reconciliation of movement in shareholders' funds	7
Balance sheet	8
Notes to the financial statements	9

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

**Report and financial statements for the 53 weeks ended
3 January 2010**

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 (Registration No. SC 12921)

Directors' report

The directors present their annual report and the audited financial statements for the 53 weeks ended 3 January 2010.

Principal activity

The principal activity of the company is the publishing of newspapers within the Nationals division of Trinity Mirror plc. The ultimate parent company at 3 January 2010 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.

Dividends and transfer to reserves

The profit on ordinary activities before taxation amounted to £14,342,000 (52 weeks ended 28 December: £21,726,000). A dividend of £nil was paid during the period (52 weeks ended 28 December: £nil). The retained profit for the financial period of £10,195,000 (52 weeks ended 28 December retained profit: £18,040,000) has been transferred to reserves.

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 29 to 30 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 2009, 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 20 to 30 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.

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 28 days (28 December: 30 days).

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Directors' report (continued)

Political and charitable donations

Contributions of £100 (52 weeks ended 28 December 2008: £1,150) were made during the period for charitable purposes. No political donations were made during the current or prior period.

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.

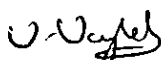
Pension schemes - the company participates in the pension schemes of the Group as described in Note 4 to the financial statements.

Auditors

The directors at the date of this report confirm that:

- as far as each of the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- each of the directors has taken all steps he should have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved and signed on behalf of the directors



Vijay Vaghela

19 March 2010

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered the factors likely to affect future development, performance and financial position including the matters disclosed in the Directors' report. The company is part of the Trinity Mirror group and the going concern review completed at the date of signing of the group accounts is set out on page 42 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 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 (Registration No. SC 12921)

We have audited the financial statements of Scottish Daily Record and Sunday Mail Limited for the period ended 3 January 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2010 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Boyle, CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Glasgow, United Kingdom

24 March 2010

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Profit and loss account

53 weeks ended 3 January 2010

	Note	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Turnover	2	95,171	104,698
Cost of sales		(59,786)	(63,552)
Gross profit		35,385	41,146
Selling and distribution costs		(3,838)	(4,171)
Administrative costs	3	(14,204)	(14,235)
Administrative expenses – exceptional	3	(3,000)	(1,012)
Operating profit	3	14,343	21,728
Interest payable and similar charges	5	(1)	(2)
Profit on ordinary activities before taxation		14,342	21,726
Tax on profit on ordinary activities	6	(4,147)	(3,686)
Profit for the financial period	15	10,195	18,040

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 (Registration No. SC 12921)

**Reconciliation of movement in shareholders' funds
53 weeks ended 3 January 2010**

	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Profit for the financial period	10,195	18,040
Share-based payments credit for the period	132	161
Net increase to shareholders' funds	10,327	18,201
Opening shareholders' funds	55,118	36,917
Closing shareholders' funds	65,445	55,118

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Balance sheet **3 January 2010**

	Note	3 January 2010 £'000	28 December 2008 £'000
Fixed assets			
Intangible assets	7	137	137
Tangible fixed assets	8	1,064	1,508
Investments	9	18,543	18,543
		<u>19,744</u>	<u>20,188</u>
Current assets			
Stocks	10	13	13
Debtors	11	153,845	191,992
Cash at bank and in hand		523	204
		<u>154,381</u>	<u>192,209</u>
Creditors: amounts falling due within one year	12	<u>(107,826)</u>	<u>(156,760)</u>
Net current assets		<u>46,555</u>	<u>35,449</u>
Total assets less current liabilities		<u>66,299</u>	<u>55,637</u>
Provisions for liabilities	13	<u>(854)</u>	<u>(519)</u>
Net assets		<u>65,445</u>	<u>55,118</u>
Capital and reserves			
Called up share capital	14	1,022	1,022
Share premium account	15	18	18
Profit and loss account	15	64,405	54,078
Shareholders' funds		<u>65,445</u>	<u>55,118</u>

These financial statements were approved by the Board of Directors on 19 March 2010.

Signed on behalf of the Board of Directors



Vijay Vaghela

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

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 (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

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.

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 400 of the Companies Act 2006 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 (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

3. Operating profit

Operating profit is stated after charging:

	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Depreciation - owned assets	442	317
Operating lease rentals - other	1,588	1,588
Exceptional restructuring costs	3,000	1,012
	<u>4,030</u>	<u>2,917</u>

The auditors' remuneration of £39,000 (52 weeks ended 28 December 2008: £48,000) for the audit of the statutory accounts of this company has been borne and not recharged by another group company. Fees for other services provided were £29,400 (52 weeks ended 28 December 2008: £26,400).

4. Information regarding directors and employees

Staff costs excluding directors are as follows:

	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Wages and salaries	14,944	17,852
Social security costs	1,362	1,645
Pension cost	1,157	1,230
	<u>17,463</u>	<u>20,727</u>

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

	53 weeks ended 3 January 2010 No.	52 weeks ended 28 December 2008 No.
Production and editorial	234	294
Selling and distribution	111	121
Administration	61	64
	<u>406</u>	<u>479</u>

The above excludes 51 (52 weeks ended 28 December 2008: 64) casual workers due to the impracticality of determining regular and occasional workers.

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

4. Information regarding directors and employees (continued)

Directors' emoluments

Two (52 weeks ended 28 December 2008: 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 28 December 2008: £nil).

The emoluments of the remaining director relating to his services to this company were:

	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Emoluments	68	289
Pension contributions	8	19
	<u>76</u>	<u>308</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 group announced closure of its defined benefit schemes to future accrual from 31 March 2010. All participants of these schemes have the option to join the 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 £1,070,000 (52 weeks ended 28 December 2008: £1,148,000). Accrued pension costs at 3 January 2010 were £nil (28 December 2008: £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 £95,000 (52 weeks ended 28 December 2008: £101,000). At 3 January 2010 there was £nil of outstanding or prepaid contributions (28 December 2008: £nil).

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

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. Interest payable and similar charges

	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Loan notes	1	2

6. Tax on profit on ordinary activities

	53 weeks ended 3 January 2010 £'000	52 weeks ended 28 December 2008 £'000
Current tax:		
Group relief payable	2,608	6,284
Corporation tax payable	1,465	-
Adjustment to prior period	37	(2,552)
Deferred tax:		
Deferred tax charge/(credit) for the current period	18	(46)
Adjustment to prior period	19	-
Total tax charge	4,147	3,686

Included within the corporation tax charge is a tax credit of £525,000 (52 weeks ended 28 December: £288,000) in respect of exceptional items shown in the profit and loss account before operating profit (see note 3).

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

6. Tax on profit on ordinary activities (continued)

Reconciliation of current tax charge

The rate of corporation tax in the UK is 28% (52 weeks ended 28 December 2008: 28.5% being a mix of 30% up to 31 March 2008 and 28% from 1 April 2008). The actual rate of current tax for the period is more than 28% (52 weeks ended 28 December 2008: less than 28.5%) for the reasons set out in the following reconciliation:

	53 weeks ended 3 January 2010 %	52 weeks ended 28 December 2008 %
UK standard rate of corporation tax	28.0	28.5
Expenses not deductible for tax purposes	0.5	0.2
Capital allowances in excess of depreciation	0.4	(0.1)
Other short term timing differences	(0.5)	0.3
Prior period adjustment	0.3	(11.7)
Actual rate of current tax for the period	28.7	17.2

7. Intangible assets

	3 January 2010 £'000	28 December 2008 £'000
Cost and Net Book Value		
At beginning and end of period	137	137

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.

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

8. Tangible fixed assets

	Plant and machinery £'000	Fixtures, fittings and motor vehicles £'000	Total £'000
Cost			
At beginning of period	6,573	1,390	7,963
Disposals	(2)	-	(2)
At end of period	6,571	1,390	7,961
Depreciation			
At beginning of period	5,265	1,190	6,455
Charge for the period	416	26	442
At end of period	5,681	1,216	6,897
Net book value			
At 3 January 2010	890	174	1,064
At 28 December 2008	1,308	200	1,508

9. Investments

	3 January 2010 £'000	28 December 2008 £'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.

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

9. Investments (continued)

All companies are registered in Scotland. All investments are in the ordinary shares of the companies as set out below.

Name of undertaking	Status	% 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%

10. Stocks

	3 January 2010 £'000	28 December 2008 £'000
Raw materials and consumables	13	13

11. Debtors

	3 January 2010 £'000	28 December 2008 £'000
Trade debtors	4,134	6,107
Amounts owed by immediate parent company	4,383	9,916
Amounts owed by fellow subsidiaries	143,566	173,555
Deferred tax asset	73	110
Other debtors	83	120
Prepayments and accrued income	1,606	2,184
	153,845	191,992

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

11. Debtors (continued)

Deferred taxation	3 January 2010 £'000	28 December 2008 £'000
At beginning of period	110	64
(Charge)/credit for current period	(37)	46
At end of period	<u>73</u>	<u>110</u>

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

	£'000	£'000
Capital allowances in excess of depreciation	(1)	(54)
Other short term timing differences	62	155
Share-based payments	12	9
	<u>73</u>	<u>110</u>

12. Creditors: amounts falling due within one year

	3 January 2010 £'000	28 December 2008 £'000
Loan notes	-	27
Trade creditors	306	627
Amounts owed to ultimate parent company	9,942	11,050
Amounts owed to fellow subsidiaries	91,508	141,126
Corporation tax payable	1,465	-
Other taxation and social security	160	356
Accruals and deferred income	4,445	3,574
	<u>107,826</u>	<u>156,760</u>

Loan notes of £nil (28 December 2008: £27,400) are unsecured, repayable on 30 June 2009 and bear interest at 3% over LIBOR.

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

13. Provisions for liabilities

	Share-based payments £'000	Restructuring £'000	Total £'000
At beginning of period	34	485	519
Additions	10	1,876	1,886
Utilised in period	-	(1,551)	(1,551)
At end of period	44	810	854

The share-based payments provision relates to national insurance obligations attached to the future crystallisation of equity awards under the long term incentive plan and is expected to be utilised on any exercise of the options over the next three periods.

The restructuring provision relates to severance costs incurred in the delivery of cost reduction measures expected to be utilised in the next period.

14. Called up share capital

	3 January 2010 £'000	28 December 2008 £'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

15. Reserves

	Share Premium Account £'000	Distributable Reserves £'000	Non- Distributable Reserves £'000	Total £'000
At 28 December 2008	18	41,153	12,925	54,096
Profit for the financial period	-	10,195	-	10,195
Share-based payments	-	132	-	132
At 3 January 2010	18	51,480	12,925	64,423

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

Scottish Daily Record and Sunday Mail Limited (Registration No. SC 12921)

Notes to the accounts

53 weeks ended 3 January 2010

16. Operating lease commitments

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

	Land and buildings	
	3 January	28 December
	2010	2008
	£'000	£'000
Operating leases which expire:		
Within one year	3	3
After five years	1,585	1,586
	<u>1,588</u>	<u>1,589</u>

17. 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 3 January 2010 this amounted to £361 million (28 December 2008: £405 million).

18. Ultimate parent company and immediate parent company

In the opinion of the directors, the company's ultimate parent company and controlling entity at 3 January 2010 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.

19. 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 18.