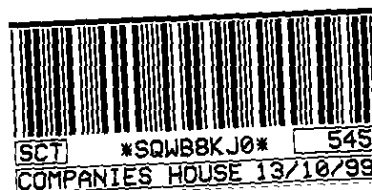


GLASWEGIAN PUBLICATIONS LIMITED
(Registered Number SC109893)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 1998



GLASWEGIAN PUBLICATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 1998

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DIRECTORS AND ADVISERS

Directors

C J Allwood
S D Barbour
J G Foley
M T Hollinshead
P A Vickers

Solicitors

McGrigor Donald
Pacific House
70 Wellington Street
GLASGOW
G2 6SB

Secretary and Registered Office:

J G Foley

40 Anderston Quay
Glasgow
G3 8DA

GLASWEGIAN PUBLICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 December 1998

The directors present their annual report and the unaudited financial statements of the company for the year ended 31 December 1998.

Principal Activity

The company did not trade during the year and made neither a profit nor a loss.

Directors

The directors of the company who served during the year were:

C J Allwood	
S D Barbour	(appointed 11 November 1998)
M T Hollinshead	(appointed 11 May 1998)
W J Kane	(resigned 14 January 1998)
G K McCall	(resigned 30 October 1998)
P A Vickers	
C M Wilson	(resigned 15 January 1998)

J G Foley was appointed Finance Director on 1 February 1999.

Directors' Interests

According to the register maintained under the provisions of the Companies Act 1985, no director had any interest in the share capital of the company during the year.

The interests of Messrs. Allwood and Vickers in the share capital of the ultimate parent undertaking, Mirror Group plc, are disclosed in that company's financial statements.

By order of the Board



J G FOLEY
Company Secretary
Glasgow

10 September 1999

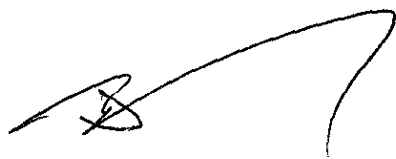
GLASWEGIAN PUBLICATIONS LIMITED

BALANCE SHEET - 31 December 1998

	Notes	1998 £	1997 £
Creditors - Amounts falling due within one year	2	<u>(3,014,780)</u>	<u>(3,014,780)</u>
Capital and reserves			
Called up share capital	3	2	2
Profit and loss account	4	<u>(3,014,782)</u>	<u>(3,014,782)</u>
DEFICIT ATTRIBUTABLE TO SHAREHOLDERS		<u>(3,014,780)</u>	<u>(3,014,780)</u>

The company was dormant throughout the financial year.

The financial statements on pages 3 to 5 were approved by the board of Directors on 10 September 1999 and were signed on its behalf by:



J G FOLEY
DIRECTOR & COMPANY SECRETARY

The notes on pages 4 & 5 form part of these financial statements.

GLASWEGIAN PUBLICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 December 1998

1. ACCOUNTING POLICY

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention.

The company has a deficit of shareholders funds at 31 December 1998. In order that the financial statements be prepared on an ongoing concern basis, the Company's immediate parent undertaking has indicated that it will not call for repayment of amounts due without first ensuring the Company has adequate funds to meet its financial obligations as they fall due.

2. CREDITORS - Amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	£	£
Amounts owed to parent undertaking	<u>3,014,780</u>	<u>3,014,780</u>

3. CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

4. PROFIT AND LOSS ACCOUNT

The company did not trade on its own account during the year or the preceding year and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss. None of the directors received any emoluments in respect of their services to the company during the year.

5. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Metropolitan Free Newspapers Limited, a company registered in Scotland.

The company's ultimate parent undertaking is Mirror Group plc, a company registered in England, which is also the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared. The consolidated financial statements of Mirror Group plc may be obtained from The Secretary, Mirror Group plc, 1 Canada Square, Canary Wharf, London E14 5AP.