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**JEWISH CHRONICLE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**30 SEPTEMBER 1996**



**CLARK WHITEHILL**  
**Chartered Accountants**

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A member of Horwath International



**JEWISH CHRONICLE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1996**

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The Directors submit their report and the Group Financial Statements for the year ended 30 September 1996. These financial statements were approved by the Board of Directors on 28 November 1996.

**STATEMENT OF DIRECTORS RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group at the end of the year and of the profit or loss of the group for that period. In preparing those financial statements the directors should:

- 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the group 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 of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**RESULTS AND DIVIDEND**

The results of the Group for the year ended 30 September 1996 are shown in the profit and loss account on page 5.

The Directors propose to pay an interim dividend of 50% amounting to £95,955 in December 1996. No final dividend is proposed.

**PRINCIPAL ACTIVITIES**

The principal activity of the company and its subsidiaries during the year was the publishing of the Jewish Chronicle newspaper.

**FIXED ASSETS**

In the opinion of the Directors, the market value in aggregate of the company's properties was substantially higher than the book value at the end of the year.

**JEWISH CHRONICLE LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1996**

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**BUSINESS REVIEW**

Turnover for the year increased by 3% and expenditure by 4%, the latter mainly due to further increases in newsprint and general running expenses. The apparent increase in administrative expenses is also distorted by the release of provisions last year including the balance relating to the 150th Anniversary. In consequence, operating profits fell. Investment income, however, went up, so that the decline in pre-tax profit on ordinary activities was limited to 10%. A significantly lower tax charge means that profits after tax were roughly unchanged from the previous year. The Directors therefore recommend an unchanged dividend.

After a detailed strategic review, your Board has decided not to redevelop the Furnival Street site for the foreseeable future. A refurbishment programme has been started, the aim of which is to enhance operational efficiency.

Your Board is continuing the policy of prudent investment in the paper in terms of pagination and new features. The results have been well received and, together with the various marketing initiatives reported last year, have helped to maintain circulation despite the continuing decline in community numbers. Considerable investment has also been made in a new computer system for the Advertisement Department, which will improve the service offered to customers.

Looking ahead to the next financial year, the Directors are hopeful that the return of consumer confidence will be reflected in stronger advertising sales, with consequent benefits to profitability.

Three senior managers, Mr Nat Goldstein, Mr Lee O'Herlihy and Mr Peter Wallhead, with a total of 112 years of service between them will retire at the end of 1996. The Directors thank them most warmly for their commitment to the company.

Finally, the Board would like to express its gratitude to all members of staff for their contributions to the company's performance during the year.

**DIRECTORS AND THEIR INTERESTS**

The directors during the year were as follows:

Mr L L Gordon	(Chairman)
Mr R A Fass	(Managing Director)
Mr S D Cohen	
Mr J Greenwood	
Mr P L Levy	O.B.E.
Mr P M Oppenheimer	
Mr E J Temko	

None of the Directors or their families had a beneficial interest in the share capital of the company during the year.

Mr L L Gordon, and Mr S D Cohen will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

**JEWISH CHRONICLE LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1996**

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**CHARITABLE AND POLITICAL DONATIONS**

During the year donations were made to UK charitable organisations totalling £24,839 of which £17,500 was paid to The Kessler Foundation.

No political donations were made during the year.

**AUDITORS**

A resolution proposing the re-appointment of Clark Whitehill as auditors of the Company will be put to the members at the Annual General Meeting.

By Order of the Board

Secretary





# CLARK WHITEHILL

## Chartered Accountants

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### REPORT OF THE AUDITORS TO THE MEMBERS OF JEWISH CHRONICLE LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on page 9.

#### Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

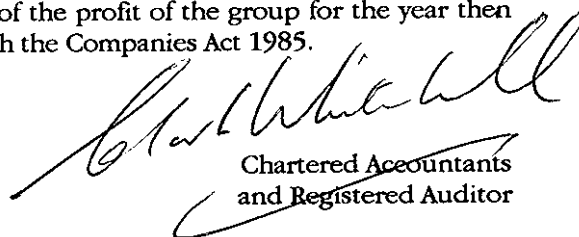
#### Basis of Opinion

We conducted our audit in accordance with 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 the information in the financial statements.

#### Unqualified Opinion

In our opinion, the financial statements give a true and fair view of the state of the affairs of the company and of the group as at 30 September 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants  
and Registered Auditor

28<sup>th</sup> November 1996

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1996**

	Notes	1996 £	1995 £
<b>TURNOVER</b>	3	<b>4,100,423</b>	<b>3,988,485</b>
Cost of sales		<u>1,727,575</u>	<u>1,678,939</u>
<b>GROSS PROFIT</b>		<b>2,372,848</b>	<b>2,309,546</b>
Distribution and selling costs		499,973	485,507
Administrative expenses		<u>1,665,139</u>	<u>1,564,497</u>
<b>OPERATING PROFIT</b>	4	<b>207,736</b>	<b>259,542</b>
Income and net gains from sale of investments	5	<u>183,909</u>	<u>175,305</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>391,645</b>	<b>434,847</b>
Tax on profit on ordinary activities	6	<u>81,622</u>	<u>120,777</u>
<b>PROFIT FOR THE YEAR</b>		<b>310,023</b>	<b>314,070</b>
Dividend		<u>95,955</u>	<u>95,955</u>
<b>RETAINED PROFIT FOR THE YEAR</b>	19	<u><b>214,068</b></u>	<u><b>218,115</b></u>

The profit and loss account contains all the gains and losses recognised in the year and in the previous year.

The notes on pages 9 to 16 form an integral part of these financial statements

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

**30 SEPTEMBER 1996**

	Notes	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	10	275,657	242,325
Copyrights and goodwill		<u>1</u>	<u>1</u>
		<b>275,658</b>	<b>242,326</b>
<b>CURRENT ASSETS</b>			
Stocks	12	1,136	1,208
Debtors	13	1,050,400	959,366
Deferred taxation	7	3,752	25,032
Investments	14	3,471,635	3,383,557
Cash at bank and in hand		<u>16,505</u>	<u>22,544</u>
		<b>4,543,428</b>	<b>4,391,707</b>
<b>CREDITORS: amounts falling due within one year</b>			
Trade creditors		95,740	101,831
Corporation tax		102,793	157,477
Other taxes and social security costs	15	137,842	142,449
Proposed dividend		95,955	95,955
Other creditors		270,922	211,625
Accruals and deferred income	16	<u>213,851</u>	<u>232,111</u>
		<b>917,103</b>	<b>941,448</b>
<b>NET CURRENT ASSETS</b>		<b>3,626,325</b>	<b>3,450,259</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,901,983</b>	<b>3,692,585</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	17	<u>153,425</u>	<u>158,095</u>
<b>NET ASSETS</b>		<b>3,748,558</b>	<b>3,534,490</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	191,910	191,910
Capital redemption reserve		95,990	95,990
General reserve	19	<u>3,460,398</u>	<u>3,246,330</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<b>3,748,298</b>	<b>3,534,230</b>
Minority interest	20	<u>260</u>	<u>260</u>
		<b>3,748,558</b>	<b>3,534,490</b>

Approved by the Board on 28.11.96  
and signed on its behalf by:

 - Chairman

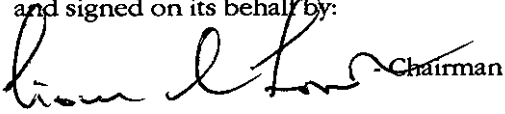
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**JEWISH CHRONICLE LIMITED**

**BALANCE SHEET**

**30 SEPTEMBER 1996**

	Notes	£	1996 £	1995 £
<b>FIXED ASSETS</b>				
Tangible assets	10		275,657	242,325
Investments in subsidiaries	11		<u>16,000</u>	<u>16,000</u>
			291,657	258,325
<b>CURRENT ASSETS</b>				
Stocks	12	1,136		1,208
Debtors	13	1,050,400		959,366
Deferred taxation	7	3,752		25,032
Investments	14	3,471,635		3,383,557
Cash at bank and in hand		<u>16,481</u>		<u>22,520</u>
		4,543,404		4,391,683
<b>CREDITORS: amounts falling due within one year</b>				
Trade creditors		95,740		101,831
Amounts due to subsidiary undertakings		452,640		343,809
Corporation tax		67,560		121,519
Other taxes and social security costs	15	137,842		142,449
Proposed dividend		95,955		95,955
Other creditors		270,922		211,625
Accruals and deferred income	16	<u>213,851</u>		<u>232,111</u>
		1,334,510		1,249,299
<b>NET CURRENT ASSETS</b>			<u>3,208,894</u>	<u>3,142,384</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,500,551	3,400,709
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	17		<u>153,425</u>	<u>158,095</u>
<b>NET ASSETS</b>			<u>3,347,126</u>	<u>3,242,614</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		191,910	191,910
Capital redemption reserve			95,990	95,990
General reserve	19		<u>3,059,226</u>	<u>2,954,714</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>3,347,126</u>	<u>3,242,614</u>

Approved by the Board on 28.11.96  
and signed on its behalf by:  
 Chairman

The notes on pages 9 to 16 form an integral part of these financial statements



**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1996**

	Notes	1996 £	1995 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	22	<u>211,391</u>	<u>248,583</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Dividends paid		(95,955)	(95,955)
Investment income received		<u>100,126</u>	<u>99,934</u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<u>4,171</u>	<u>3,979</u>
<b>TAXATION</b>			
UK tax paid		<u>(115,026)</u>	<u>(82,085)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(106,805)	(78,775)
Proceeds of sale of fixed assets		4,755	5,520
Purchase of investments		(559,908)	(2,020,271)
Proceeds of sale of investments		<u>582,809</u>	<u>1,725,667</u>
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<u>(79,149)</u>	<u>(367,859)</u>
<b>NET CASH INFLOW/(OUTFLOW)</b>	23	<u>21,387</u>	<u>(197,382)</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

# JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1996

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### 1. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

- a) The financial statements have been prepared using the historical cost convention and in accordance with applicable accounting standards.
- b) The financial statements incorporate the audited results of the company and its subsidiaries, details of which are shown in note 11. The company has not presented its own profit and loss account as permitted by Section 230 Companies Act 1985.

### 2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are as follows:

#### a) Stocks

Stocks are valued at the lower of cost and net realisable value.

#### b) Depreciation

No depreciation has been provided on freehold land. Other fixed assets in use are depreciated over their estimated useful lives by equal annual instalments based on cost at the following rates:

Long Leasehold buildings	- 2%
Freehold buildings	- 2%
Fixtures, Computers etc	- 25%
Motor vehicles	- 25%

#### c) Deferred Taxation

Deferred taxation is provided on all material timing differences to the extent that it is probable that liabilities or assets will crystallise.

#### d) Pension Costs

Pension costs are charged to the profit and loss account in order to spread the costs over the working lives of employees.

### 3. TURNOVER

Turnover is stated at the invoiced value, excluding VAT, of goods and services supplied to customers outside the Group, less allowances and discounts.

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

<b>4. OPERATING PROFIT</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	70,507	51,956
Auditors' remuneration	16,150	16,150
Profit on disposal of tangible fixed assets	<u>1,789</u>	<u>2,593</u>
<b>5. INCOME AND NET GAINS FROM SALE OF INVESTMENTS</b>		
Investments	90,585	75,231
Short term deposits	33,310	31,572
Net gains on investment sales	<u>60,014</u>	<u>68,502</u>
	<u>183,909</u>	<u>175,305</u>
<b>6. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
Corporation tax at 24.5%/33% (1995: 25%/33%)	72,957	110,706
Tax credits on UK dividends received	12,979	8,478
Deferred taxation at 33%	21,280	12,000
Adjustments in respect of previous years		
Corporation tax	(25,594)	(22,107)
Deferred tax	-	11,700
	<u>81,622</u>	<u>120,777</u>
<b>7. DEFERRED TAXATION</b>		
a) Asset at 1 October 1995	25,032	48,732
Transfer to profit and loss account (note 6)	<u>(21,280)</u>	<u>(23,700)</u>
<b>Asset at 30 September 1996</b>	<u>3,752</u>	<u>25,032</u>
b) <b>The balance at 30 September 1996 is represented by:</b>		
Provisions	37,640	45,690
Short term timing differences	52,917	59,895
ACT recoverable	23,989	23,989
Pension scheme actuarial surplus	<u>(110,794)</u>	<u>(104,542)</u>
	<u>3,752</u>	<u>25,032</u>

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

<b>8. DIRECTORS EMOLUMENTS</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Fees	26,355	30,367
Other emoluments	156,900	124,668
Pension scheme contributions	13,735	10,453
	<u>196,990</u>	<u>165,488</u>
Emoluments, excluding pension scheme contributions:		
Chairman	<u>16,380</u>	<u>15,675</u>
Highest paid director	<u>70,059</u>	<u>67,981</u>
	<b>No.</b>	<b>No.</b>
Number of directors:		
£Nil - £ 5,000	-	4
£5,001 - £10,000	4	2
£10,001 - £15,000	-	-
£15,001 - £20,000	1	1
£40,001 - £45,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	<u>2</u>	<u>-</u>

Directors emoluments for 1995 include only a proportion of one director's salary due to his appointment part way through the year.

The emoluments shown above include benefits in kind and Profit Related Pay.

<b>9. STAFF COSTS</b>	<b>1996</b>	<b>1995</b>
(including executive directors)	<b>£</b>	<b>£</b>
Wages and salaries	1,718,517	1,722,603
Social security costs	147,482	149,894
Other pension costs	134,014	146,030
	<u>2,000,013</u>	<u>2,018,527</u>
	<b>No.</b>	<b>No.</b>
The average number of employees		
(including part-time employees)		
during the year was:		
Management and office	15	16
Editorial	31	32
Selling and distribution	<u>28</u>	<u>29</u>
	<u>74</u>	<u>77</u>

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

**9. STAFF COST (CONTINUED)**

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from those of the company in a separately administered fund with its own Trustees. The contributions to the scheme are determined by a qualified actuary on the basis of a triennial valuation using the projected unit method. The most recent valuation was as at 1 January 1995. The principal actuarial assumption adopted at that valuation was that the rate of return on investments would exceed the increase in pensionable salaries by 2% per annum.

The valuation disclosed that the value of the scheme's assets at that date was £8,620,000 and that there was a surplus of £1,574,000 after allowing for the actuarially calculated liabilities for future benefits. This surplus comprises of £450,000 which was credited to Reserves in 1989 on the adoption of SSAP24, of which £261,780 remains to be amortised. This together with the balance of the surplus which is being dealt with as an adjustment to the regular cost is being spread over 10 years being the average remaining service lives of the employees.

**10. TANGIBLE FIXED ASSETS**

	Total £	Freehold properties £	Long Leasehold property £	Fixtures, fittings and computers £
Cost:				
1 October 1995	762,563	138,438	100,000	524,125
Additions	106,805	-	-	106,805
Disposals	(21,752)	-	-	(21,752)
<b>30 September 1996</b>	<b>847,616</b>	<b>138,438</b>	<b>100,000</b>	<b>609,178</b>
Depreciation:				
1 October 1995	520,238	90,981	8,000	421,257
Provision for the year	70,507	2,757	2,000	65,750
Disposals	(18,786)	-	-	(18,786)
<b>30 September 1996</b>	<b>571,959</b>	<b>93,738</b>	<b>10,000</b>	<b>468,221</b>
<b>Net book values:</b>				
<b>30 September 1996</b>	<b>275,657</b>	<b>44,700</b>	<b>90,000</b>	<b>140,957</b>
<i>30 September 1995</i>	<i>242,325</i>	<i>47,457</i>	<i>92,000</i>	<i>102,868</i>

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

<b>11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Shares in group companies	<u>16,000</u>	<u>16,000</u>
Company	Business	% Equity held
Jewish Chronicle Newspaper Limited	Newspaper Publisher	"A" shares 100%
Boundary Enterprises Limited	Dormant	100%
	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
<b>12. STOCKS</b>	<u>1,136</u>	<u>1,208</u>
<b>13. DEBTORS</b>		
Trade debtors	511,037	450,205
Other debtors, prepayments and accrued income	<u>539,363</u>	<u>509,161</u>
	<u>1,050,400</u>	<u>959,366</u>
Other debtors includes pension scheme prepayments to be amortised over a period of greater than 1 year £237,982 (1995 £261,780)		
<b>14. INVESTMENTS</b>		
Short term deposits	630,172	602,746
Listed investments at cost (market value 1996 £3,296,059: 1995 £2,968,055)	2,689,687	2,629,035
Unlisted investments at cost (Directors' valuation: 1996 £156,982:1995 £157,469)	<u>151,776</u>	<u>151,776</u>
	<u>3,471,635</u>	<u>3,383,557</u>
<b>15. OTHER TAXES AND SOCIAL SECURITY COSTS</b>		
PAYE	36,707	37,306
National insurance	25,619	25,531
VAT	<u>75,516</u>	<u>79,612</u>
	<u>137,842</u>	<u>142,449</u>

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

<b>16. ACCRUALS AND DEFERRED INCOME</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Accruals	166,218	189,720
Deferred income	47,633	42,391
	<u>213,851</u>	<u>232,111</u>
 <b>17. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Balance 1 October 1995	158,095	208,601
Expenditure during year	(4,670)	(8,757)
Provisions released in the year	-	(41,749)
<b>Balance 30 September 1996</b>	<u>153,425</u>	<u>158,095</u>
 Made up as follows:-		
(i) Renewals, repairs and maintenance	80,000	81,165
(ii) Indexing and microfilming	13,425	16,930
(iii) Planning permission expenditure	60,000	60,000
	<u>153,425</u>	<u>158,095</u>
 <b>18. SHARE CAPITAL</b>		
<b>Authorised:</b>		
191,000 Ordinary shares of 1p each	1,910	1,910
284,090 Non-voting Ordinary shares of £1 each	284,090	284,090
	<u>286,000</u>	<u>286,000</u>
 <b>Issued and Fully paid:</b>		
190,010 Ordinary shares of 1p each	1,900	1,900
190,010 Non-Voting Ordinary shares of £1 each	190,010	190,010
	<u>191,910</u>	<u>191,910</u>

**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

**19. MOVEMENTS IN RESERVES AND SHAREHOLDERS FUNDS**

	Group £	Company £
<b>a) General Reserve</b>		
Balance 1 October 1995	3,246,330	2,954,714
Transfer from profit and loss account	<u>214,068</u>	<u>104,512</u>
Balance 30 September 1996	<u>3,460,398</u>	<u>3,059,226</u>
 <b>b) Shareholders Funds</b>		
Profit for the year	310,023	200,467
Dividend	<u>95,955</u>	<u>95,955</u>
	214,068	104,512
 Opening Shareholders Funds	<u>3,534,230</u>	<u>3,242,614</u>
Closing Shareholders Funds	<u>3,748,298</u>	<u>3,347,126</u>

**20. MINORITY INTEREST**

The minority interest represents 26,000 Jewish Chronicle Newspaper Limited "B" shares of 1p each, 99.8% of which are held by the Jewish Chronicle Trust Limited.

**21. HOLDING COMPANY**

The ultimate holding company is The Kessler Foundation, a company which is limited by guarantee and is a registered charity.



**JEWISH CHRONICLE LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**30 SEPTEMBER 1996**

**22. RECONCILIATION OF OPERATING PROFIT TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	<b>1996</b> £	<b>1995</b> £
Operating profit	207,736	259,542
Profit on sale of tangible fixed assets	(1,789)	(2,593)
Depreciation charges	70,507	51,956
Expenditure charged to provisions	(4,670)	(8,757)
Release of provisions	-	(41,749)
Pension scheme surplus amortisation charged to operating profit	23,798	23,798
Decrease in stocks	72	1,673
(Increase) in debtors	(114,601)	(136,383)
Increase in creditors	30,338	101,096
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b><u>211,391</u></b>	<b><u>248,583</u></b>

**23. ANALYSIS OF THE BALANCES OF CASH AND CASH  
EQUIVALENTS AS SHOWN IN THE BALANCE SHEET**

	<b>1996</b> £	<b>1995</b> £	<b>1996</b> <b>Change</b> <b>in year</b> £	<b>1995</b> <b>Change</b> <b>in year</b> £
Cash at bank and in hand	16,505	22,544	(6,039)	14,790
Short term deposits	630,172	602,746	27,426	(212,172)
	<b><u>646,677</u></b>	<b><u>625,290</u></b>	<b><u>21,387</u></b>	<b><u>(197,382)</u></b>