COMPANY NUMBER: 95587

JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS

30 SEPTEMBER 2005

Horwath Clark Whitehill

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JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 30 SEPTEMBER 2005

The directors submit their report and the financial statements for the year ended 30 September 2005.

RESULTS AND BUSINESS REVIEW

The results of the group for the year ended 30 September 2005 are shown in the profit and loss account on page 4.

The directors have continued to manage the business of the group in the light of prevailing trading conditions. The position at 30 September 2005 is reflected in the group's accounts for the year. The directors intend to continue the development of the business.

The directors propose to pay an interim dividend of 60% of the issued share capital amounting to £115,146 in December 2005. No final dividend is proposed.

PRINCIPAL ACTIVITIES

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

TANGIBLE FIXED ASSETS

In the opinion of the directors, the market value of the company's freehold property was substantially higher than its book value at the end of the year.

CHARITABLE DONATIONS

During the year donations were made to UK charitable organisations totalling £8,205 (2004: £5,983).

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Mr P L Levy O.B.E.	(Chairman)
Mr R A Fass	(Managing Director)
Mr R L Bolchover	
Mrs J S Chain	(appointed 25 January 2005)
Mr L L Gordon	(resigned 25 January 2005)
Mr S Grabiner	(appointed 1 May 2005)
Mr J M Greenwood	(resigned 19 April 2005)
Mr D B Kessler	(appointed 28 October 2004)
Mr P M Oppenheimer	
Mr A Rubenstein	
Mr E J Temko	(resigned 6 May 2005)

Mr D B Kessler had a beneficial interest in the company of 10 Ordinary shares of 1p each and 1,000 Non-Voting Ordinary shares of £1 each throughout the year. The interests of Mr R A Fass in the share capital of JC Tech Limited are disclosed in that company's financial statements. Mr E J Temko's interest in the share capital of JC Tech Limited was transferred to the company during the year.

Other than the interests disclosed above none of the directors who served during the year had a beneficial interest in the share capital of the company or its fellow group undertakings during the year.

DIRECTORS AND THEIR INTERESTS (CONTINUED)

Mr P L Levy O.B.E. and Mr R L Bolchover will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mrs J S Chain and Mr S Grabiner having been appointed as directors since the last Annual General Meeting offer themselves for re-appointment in accordance with the Articles of Association.

STAFF

The board would like to express its thanks to all members of staff for their continued contribution to the group's performance.

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 company and 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.

AUDITORS

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

By Order of the Board

Secretary

Horwath Clark Whitehill

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JEWISH CHRONICLE LIMITED

We have audited the financial statements of Jewish Chronicle Limited for the year ended 30 September 2005 set out on pages 4 to 17. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of the group and company's affairs as at 30 September 2005 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP

28 November 2005

HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

JEWISH CHRONICLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 53 Issues £	*2004* *52 Issues* *£*
TURNOVER	3	**5,245,030**	*5,032,059*
Cost of sales		**(2,051,898)**	*(1,805,433)*
GROSS PROFIT		**3,193,132**	*3,226,626*
Distribution and selling costs		**(900,316)**	*(694,245)*
Administrative expenses		**(1,992,960)**	*(2,563,107)*
OPERATING PROFIT/(LOSS)	4	**299,856**	*(30,726)*
Other income	5	**647,577**	*62,157*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**947,433**	*31,431*
Tax on profit on ordinary activities	6	**(101,477)**	*(22,119)*
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**845,956**	*9,312*
Dividend		**(115,146)**	*(71,006)*
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	16	**730,810**	*(61,694)*

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2005 £	*2004* *£*
Retained profit/(loss) for the financial year	16	**730,810**	*(61,694)*
Unrealised surplus on revaluation of investment property	16	**154,842**	-
		885,652	*(61,694)*

The notes on pages 8 to 17 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2005

	Notes	£	2005 £	*2004 £*
FIXED ASSETS				
Tangible assets	9		**1,462,073**	*1,318,992*
Investments	10		**3,762,407**	*3,395,534*
Copyrights and goodwill			**1**	*1*
			5,224,481	*4,714,527*
CURRENT ASSETS				
Stocks		**1,759**		*1,352*
Debtors	12	**1,538,403**		*1,590,576*
Short term deposits		**1,353,044**		*987,372*
Cash at bank and in hand		**20,986**		*24,955*
		2,914,192		*2,604,255*
CREDITORS: amounts falling due within one year				
Trade creditors		**222,712**		*152,808*
Corporation tax		**112,052**		*20,591*
Other taxes and social security costs	13	**153,317**		*71,235*
Proposed dividend		**115,146**		*71,006*
Other creditors		**260,318**		*253,552*
Accruals and deferred income	14	**92,410**		*441,666*
		955,955		*1,010,858*
NET CURRENT ASSETS			**1,958,237**	*1,593,397*
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,182,718**	*6,307,924*
PROVISIONS FOR LIABILITIES AND CHARGES	7		**(94,607)**	*(105,465)*
NET ASSETS			**7,088,111**	*6,202,459*
CAPITAL AND RESERVES				
Called up share capital	15,16		**191,910**	*191,910*
Capital redemption reserve	16		**95,990**	*95,990*
Revaluation reserve	*16*		**154,842**	*-*
Profit and loss account	16		**6,645,109**	*5,914,299*
SHAREHOLDERS' FUNDS			**7,087,851**	*6,202,199*
Minority interest	17		**260**	*260*
			7,088,111	*6,202,459*

Approved by the Board on 28 November 2005
and signed on its behalf by:

} Directors

The notes on pages 8 to 17 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
BALANCE SHEET
30 SEPTEMBER 2005

	Notes		2005	2004
		£	£	£
FIXED ASSETS				
Tangible assets	9		**1,462,073**	*1,318,992*
Investments	10		**3,762,407**	*3,395,534*
Investments in subsidiary undertakings	11		**16,090**	*16,080*
			5,240,570	*4,730,606*
CURRENT ASSETS				
Stocks		**1,759**		*1,352*
Debtors	12	**1,538,403**		*1,590,576*
Short term deposits		**1,353,044**		*987,372*
Cash at bank and in hand		**20,986**		*24,955*
		2,914,192		*2,604,255*
CREDITORS: amounts falling due within one year				
Trade creditors		**222,712**		*152,808*
Amounts due to subsidiary undertakings		**585,969**		*907,615*
Corporation tax		**60,883**		-
Other taxes and social security costs	13	**153,317**		*71,235*
Proposed dividend		**115,146**		*71,006*
Other creditors		**260,318**		*253,552*
Accruals and deferred income	14	**92,410**		*441,666*
		1,490,755		*1,897,882*
NET CURRENT ASSETS			**1,423,437**	*706,373*
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,664,007**	*5,436,979*
PROVISIONS FOR LIABILITIES AND CHARGES	7		**(94,607)**	*(105,465)*
NET ASSETS			**6,569,400**	*5,331,514*
CAPITAL AND RESERVES				
Called up share capital	15,16		**191,910**	*191,910*
Capital redemption reserve	16		**95,990**	*95,990*
Revaluation reserve	16		**154,842**	-
Profit and loss account	16		**6,126,658**	*5,043,614*
SHAREHOLDERS' FUNDS			**6,569,400**	*5,331,514*

Approved by the Board on 28 November 2005
and signed on its behalf by:

} Directors

The notes on pages 8 to 17 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	**241,937**	*165,332*
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Rental income		**23,855**	-
Investment income		**119,659**	*123,799*
Short term deposit interest		**49,667**	*65,614*
		193,181	*189,413*
TAXATION			
UK Corporation tax paid		**(20,874)**	*(110,961)*
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		**(92,573)**	*(1,127,761)*
Proceeds of sale of tangible fixed assets		**23,515**	*9,300*
Purchase of investments		**(2,452,753)**	*(380,784)*
Proceeds of sale of investments		**2,540,276**	*767,168*
		18,465	*(732,077)*
EQUITY DIVIDENDS PAID		**(71,006)**	*(71,006)*
NET CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES		**361,703**	*(559,299)*
MANAGEMENT OF LIQUID RESOURCES			
Transfers (to)/from short term deposits		**(365,672)**	*568,102*
(DECREASE)/INCREASE IN CASH FOR THE YEAR	19	**(3,969)**	*8,803*

The notes on pages 8 to 17 form an integral part of these financial statements.

1. BASIS OF FINANCIAL STATEMENTS

a) The financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment properties (see note 2e), 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) Depreciation

No depreciation has been provided on freehold land or investment properties (see note 2e). Other tangible fixed assets in use are depreciated over their estimated useful lives by equal annual instalments based on cost, less estimated residual value, at the following annual rates:

Long leasehold property	- 2%
Freehold building	- 2%
Fixtures, fittings and computers	- 25%

b) Deferred Taxation

Full provision is made for deferred taxation at the tax rate that is expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rate and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences between the company's taxable profits and its results are stated in the accounts.

Deferred tax is measured on a non-discounted basis.

c) Pension Costs

Pension costs of the company's defined benefit final salary scheme are charged to the profit and loss account in order to spread the costs over the working lives of the employees included within the scheme.

Company contributions to the company's defined contribution stakeholder pension scheme are charged to the profit and loss account as incurred.

d) Investments

Investments are stated at historic cost, less provision for any impairment in value.

e) Investment properties

Investment properties are valued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. Where a deficit, in excess of the amount previously transferred to the revaluation reserve, is regarded as being a permanent diminution the amount is charged immediately to the profit and loss account. No depreciation is provided in respect of investment properties. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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.

4. OPERATING PROFIT/(LOSS)

	2005 £	*2004 £*
Is stated after charging/(crediting)		
Depreciation	83,206	*93,026*
Auditors' remuneration - audit	20,000	*20,000*
- other services	24,657	*26,272*
Profit on disposal of tangible fixed assets	(2,387)	*(3,472)*

5. OTHER INCOME

	2005	2004
Rental income	23,855	-
Investment income	119,659	*123,799*
Short term deposit interest	49,667	*65,614*
Net gains/(losses) on investment sales	454,396	*(127,256)*
	647,577	62,157

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in year

	2005	2004
Current tax		
UK corporation tax on profits of the year	112,052	*20,591*
Under/(over) provision in previous years	283	*(1,048)*
	112,335	*19,543*
Deferred tax		
Origination and reversal of timing differences	(10,858)	*2,576*
	101,477	*22,119*

b) Factors affecting the tax charge for the year

	2005	2004
Profit on ordinary activities before taxation	947,433	*31,431*
Profit on ordinary activities multiplied by UK standard rate of corporation tax of 30%	284,230	*9,429*
Effects of:		
Differential between standard and actual rate	(22,082)	*(11,921)*
Permanent differences	(148,190)	*29,951*
Other timing differences	(1,906)	*(6,868)*
	112,052	*20,591*

7. DEFERRED TAXATION

		2005 £	2004 £
a)	Balance at 1 October 2004	**105,465**	*102,889*
	Transfer from profit and loss account (note 6)	**(10,858)**	*2,576*
	Balance at 30 September 2005	**94,607**	*105,465*
b)	**The balance at 30 September 2005 is represented by:**		
	Provisions	**(20,122)**	*(16,874)*
	Short term timing differences	**18,585**	*17,195*
	Pension scheme actuarial surplus	**96,144**	*105,144*
		94,607	*105,465*

8. STAFF COSTS

(including executive directors)

	2005 £	2004 £
Wages and salaries	**1,971,326**	*2,003,279*
Social security costs	**194,031**	*194,774*
Other pension costs	**345,979**	*310,846*
	2,511,336	*2,508,899*

Included within other pension costs above are £9,965 (2004: £6,972) of costs in connection with the company's defined contribution stakeholder pension scheme whilst the remaining £336,014 (2004: £303,874) are costs in connection with the company's defined benefit final salary scheme.

Directors' Emoluments:

	2005 £	2004 £
Aggregate emoluments - including fees to non-executive directors, taxable benefits in kind and profit related pay	**394,472**	*392,200*
Highest paid director:		
Aggregate emoluments - including taxable benefits in kind and profit related pay	**122,145**	*116,319*
Accrued pensions	**47,833**	*33,453*

In 2005 three (2004: three) directors accrued pension benefits under the group's defined benefit scheme.

The average number of employees (including part-time employees) during the year was:	No.	*No.*
Management and office	**11**	*11*
Editorial	**27**	*27*
Selling and distribution	**23**	*23*
	61	*61*

8. STAFF COSTS (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 triennial valuation was at 1 October 2003. The principal actuarial assumptions adopted at that valuation were that investment returns would be 7% per annum (5.8% per annum for 2005 FRS 17 valuation) prior to retirement and 5.5% per annum after retirement, increases in salaries would be 4.25% per annum and that price inflation and increases in pensions in payment would both be 2.75% per annum.

The valuation disclosed that the value of the scheme's assets at that date was £10,573,000 and that there was a deficit of £1,068,000 after allowing for the actuarially calculated liabilities for past service benefits, accordingly the funding level of past service benefits within the valuation is 91%.

The next actuarial valuation will be at 1 October 2006.

In accordance with the requirements of Financial Reporting Standard 17 the full actuarial valuation at 1 October 2003 was updated by a qualified independent actuary at 30 September 2005. The major assumptions used by the actuary for the purpose of calculating the actuarial deficit were:

	2005	*2004*	*2003*	*2002*
Discount rate	**5.00%**	*5.50%*	*5.40%*	*5.25%*
Inflation assumption	**2.75%**	*3.00%*	*2.75%*	*2.50%*
Rate of increase in salaries	**4.00%**	*4.50%*	*4.25%*	*4.00%*
Rate of increase in pensions in payment	**2.75%**	*3.00%*	*2.75%*	*2.50%*

The assets of the scheme are managed by Fidelity Pensions Management and by Merrill Lynch Investment Management. The fair value of the assets held and the expected rates of return assumed are as follows:

	Expected rate of return year commencing 30 September			
	2005	*2004*	*2003*	*2002*
Equities and property	**5.80%**	*7.50%*	*7.25%*	*7.00%*
Bonds	**4.50%**	*5.25%*	*5.00%*	*4.75%*
Cash	**4.25%**	*4.75%*	*3.50%*	*4.00%*

	Value at 30 September			
	2005 £'000	*2004 £'000*	*2003 £'000*	*2002 £'000*
Equities and property	**10,789**	*8,512*	*8,713*	*7,406*
Bonds	**2,679**	*2,789*	*1,435*	*1,683*
Cash	**(18)**	*4*	*425*	*473*
Total	**13,450**	*11,305*	*10,573*	*9,562*

8. *STAFF COSTS (CONTINUED)*

The funding position was as follows:

	2005	2004	2003	2002
	£'000	£'000	£'000	£'000
Total market value of assets	13,450	11,305	10,573	9,562
Present value of scheme liabilities	(14,642)	(11,973)	(12,500)	(11,178)
Deficit in the scheme	(1,192)	(668)	(1,927)	(1,616)
Related deferred tax asset	358	200	580	490
Net pension liability	(834)	(468)	(1,347)	(1,126)

If FRS 17 was implemented in full the above assets and liabilities would be brought on to the company's balance sheet and the below transactions would be reflected in the company' s profit and loss account and Statement of Recognised Gains and Losses ('STRGL').

	Year ended 30 September		
	2005	2004	2003
	£'000	£'000	£'000
Analysis of the amount chargeable to operating profit:			
Current service cost	305	390	428
Past service cost	-	-	28
Total operating charge	305	390	456
Analysis of the amount to be credited to other finance income:			
Expected return on pension scheme assets	776	710	606
Interest on pension scheme liabilities	(652)	(669)	(577)
Net return	124	41	29
Analysis of amount recognisable in STRGL			
Actuarial return less expected return on pension scheme assets	1,622	255	772
Experience gains and losses arising on scheme Liabilities	(437)	293	(700)
Changes in assumptions underlying present value of scheme liabilities	(1,832)	787	(158)
Actuarial (loss)/gain recognised in STRGL	(647)	1,335	(86)

8. STAFF COSTS (CONTINUED)

Movement in surplus/(deficit) in year

	Year ended 30 September		
	2005	*2004*	*2003*
	£'000	*£'000*	*£'000*
Deficit in scheme at beginning of year	**(668)**	*(1,927)*	*(1,616)*
Current service cost	**(305)**	*(390)*	*(428)*
Contributions	**304**	*273*	*202*
Past service costs	**-**	*-*	*(28)*
Other finance income	**124**	*41*	*29*
Actuarial (loss)/gain	**(647)**	*1,335*	*(86)*
Deficit in scheme at end of year	**(1,192)**	*(668)*	*(1,927)*

As a result of the actuarial valuation as at 1 October 2003, the company has been contributing to the scheme at the rate of 22.1% of pensionable salary, plus the cost of death in service insurance cover. The contribution rate is 20.7% from 1 January 2005 and 13.7% from 1 January 2007 onwards. The current service cost will increase as the members of the scheme approach retirement. During the year company contributions to the scheme, excluding death in service insurance cover amounted to £ 294,988 (2004: £265,889).

History of experience gains and losses

	Year ended 30 September		
	2005	*2004*	*2003*
Difference between expected and actual return on scheme assets:			
Amount (£'000)	**1,622**	*255*	*772*
Percentage of scheme assets	**12.1%**	*2.3%*	*7.3%*
Experience gains and losses on scheme liabilities:			
Amount (£'000)	**(437)**	*293*	*(700)*
Percentage of present value of scheme liabilities	**3.0%**	*2.4%*	*5.6%*
Changes in assumptions underlying present value of scheme liabilities			
Amount (£'000)	**(1,832)**	*787*	(158)
Percentage of present value of scheme liabilities	**12.5%**	*6.6%*	1.2%
Total amount recognised in STRGL			
Amount (£'000)	**(647)**	*1,335*	*(86)*
Percentage of present value of scheme liabilities	**4.4%**	*11.2%*	*0.7%*

In addition to the above, the scheme holds assets of £82,000 (2004: £70,000) that have been earmarked for the provision of additional benefits on a money purchase basis as a result of members Additional Voluntary Contributions.

9. TANGIBLE FIXED ASSETS

	Investment Property £	Freehold Property £	Long Leasehold Property £	Fixtures, Fittings and Computers £	Total £
Cost/Valuation:					
1 October 2004	1,073,875	150,543	100,000	953,097	2,277,515
Additions	-	-	-	92,573	92,573
Disposals	(717)	-	-	(73,814)	(74,531)
Revaluation	154,842	-	-	-	154,842
Reclassification	(28,000)	-	-	-	(28,000)
Transfers	100,000	-	(100,000)	-	-
30 September 2005	**1,300,000**	**150,543**	**-**	**971,856**	**2,422,399**
Depreciation:					
1 October 2004	-	117,732	26,000	814,791	958,523
Charge for the year	-	2,999	2,000	78,207	83,206
Disposals	-	-	-	(53,403)	(53,403)
Reclassification	(28,000)	-	-	-	(28,000)
Transfers	28,000	-	(28,000)	-	-
30 September 2005	***-***	***120,731***	***-***	***839,595***	***960,326***
Net Book Values					
30 September 2005	**1,300,000**	**29,812**	**-**	**132,261**	**1,462,073**
30 September 2004	*1,073,875*	*32,811*	*74,000*	*138,306*	*1,318,992*

The directors' open market valuation of the company's investment properties was £1,300,000 at 30 September 2005. The properties' historic cost is £1,173,158.

10. INVESTMENTS

	Listed Investments £	Unlisted Investments £	*Total* £
Cost/Net Book Value			
At 1 October 2004	3,270,534	125,000	3,395,534
Additions	2,452,753	-	*2,452,753*
Disposals	(2,085,880)	-	*(2,085,880)*
At 30 September 2005	**3,637,407**	**125,000**	**3,762,407**

The market value of the listed investments at 30 September 2005 was £4,074,108 (2004: £3,612,883). The directors' valuation of the unlisted investments at 30 September 2005 was *£125,000 (2004: £125,000).*

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2005	2004
	£	£
Cost and Net Book Value	**16,090**	*16,080*

Company	Business	Share Type Held	% Held
Jewish Chronicle Newspaper Limited	Newspaper Publisher	"A" shares	100
Boundary Enterprises Limited	Dormant	Ordinary	100
JC Tech Limited	Dormant	Ordinary	90
JC Online Limited	Dormant	Ordinary	90

12. DEBTORS

	2005	2004
	£	£
Trade debtors	**937,491**	*889,565*
VAT	**-**	*71,369*
Other debtors, prepayments and accrued income	**600,912**	*629,642*
	1,538,403	*1,590,576*

Other debtors include pension scheme balances of £290,480 (2004: £320,480) to be amortised in periods in excess of twelve months from the balance sheet date.

13. OTHER TAXES AND SOCIAL SECURITY COSTS

	2005	2004
PAYE	**33,253**	*37,075*
National insurance	**33,395**	*34,160*
VAT	**86,669**	*-*
	153,317	*71,235*

14. ACCRUALS AND DEFERRED INCOME

	2005	2004
Accruals	**24,908**	*376,990*
Deferred income	**67,502**	*64,676*
	92,410	*441,666*

15. SHARE CAPITAL

	2005	2004
Authorised:		
191,000 Ordinary shares of 1p each	**1,910**	*1,910*
284,090 Non-voting Ordinary shares of £1 each	**284,090**	*284,090*
	286,000	*286,000*
Allotted, issued and fully paid:		
190,010 Ordinary shares of 1p each	**1,900**	*1,900*
190,010 Non-Voting Ordinary shares of £1 each	**190,010**	*190,010*
	191,910	*191,910*

16. SHAREHOLDERS' FUNDS

Group	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
At 1 October 2003	191,910	95,990	-	5,975,993	6,263,893
Retained loss for the financial year	-	-	-	(61,694)	(61,694)
At 1 October 2004	191,910	95,990	-	5,914,299	6,202,199
Retained profit for the financial year	-	-	-	730,810	730,810
Unrealised surplus on revaluation of investment properties	-	-	154,842	-	154,842
At 30 September 2005	**191,910**	**95,990**	**154,842**	**6,645,109**	**7,087,851**

Company

Company	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
At 1 October 2003	191,910	95,990	-	4,935,422	5,223,322
Retained profit for the financial year	-	-	-	108,192	108,192
At 1 October 2004	191,910	95,990	-	5,043,614	5,331,514
Retained profit for the financial year	-	-	-	1,083,044	1,083,044
Unrealised surplus on revaluation of investment properties	-	-	154,842	-	154,842
At 30 September 2005	**191,910**	**95,990**	**154,842**	**6,126,658**	**6,569,400**

17. 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.

18. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit/(loss)	**299,856**	*(30,726)*
Depreciation	**83,206**	*93,026*
Profit on sale of tangible fixed assets	**(2,387)**	*(3,472)*
Increase in stocks	**(407)**	*(710)*
Decrease/(increase) in debtors	**52,173**	*(82,764)*
(Decrease)/increase in creditors	**(190,504)**	*189,978*
NET CASH INFLOW FROM OPERATING ACTIVITIES	**241,937**	*165,332*

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005	2004
(Decrease)/increase in cash for the year	**(3,969)**	*8,803*
Increase/(decrease) in short term deposits	**365,672**	*(568,102)*
Change in net funds	**361,703**	*(559,299)*
Net funds at 1 October 2004	**1,012,327**	*1,571,626*
Net funds at 30 September 2005	**1,374,030**	*1,012,327*

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2004 £	Cashflow £	**At 30 September 2005** **£**
Cash at bank and in hand	*24,955*	(3,969)	**20,986**
Short term deposits	*987,372*	365,672	**1,353,044**
	1,012,327	361,703	**1,374,030**

21. ULTIMATE PARENT UNDERTAKING

The directors consider The Kessler Foundation, a company which is limited by guarantee and a registered charity, to be the ultimate parent undertaking.