

**JEWISH CHRONICLE LIMITED
DIRECTORS' REPORT AND GROUP
FINANCIAL STATEMENTS
30 SEPTEMBER 2007**



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JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 30 SEPTEMBER 2007

The directors submit their report and the financial statements for the year ended 30 September 2007

PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiaries during the year was the publication of the Jewish Chronicle newspaper together with its website thejc.com

RESULTS AND DIVIDENDS

The results of the group for the year ended 30 September 2007 are shown in the profit and loss account

A dividend of £80,602 in respect of the year was declared subsequent to the year-end and is payable in December 2007. The dividend charged to the profit and loss account in the year of £115,146 represents the dividend declared subsequent to 30 September 2006 in respect of the year then ended.

BUSINESS REVIEW

Despite continuing difficult trading conditions for the publishing industry generally, we are pleased to report that the turnover grew by 3.5%. Our total costs increased by 4.2% which reflects an increase in investment in the product, editorial staff and marketing. Whilst the newspaper's trading profit was stable, costs including staff restructuring and pension adjustments reduced overall operating profits.

Other income comprising of investment and rental income including loss on investments was satisfactory and reflected the realignment of our portfolio. Funds from the sale of part of the investment portfolio have been invested on short term deposit.

We have continued with the initiative to encourage our customers, in co-operation with newsagents, to take out annual subscriptions and this has proved to be a great success with the level of subscriptions continuing to increase.

The Editor, David Rowan, has made a good start and significant improvements have been made to the paper making it more interesting to a wider and younger audience.

We are pleased to report that advertising revenue has continued to show growth. We continue to monitor the market and all new possibilities in order to increase our revenues. With this in mind we intend to produce 7 quality colour magazines in 2007/8.

It must be appreciated that the Jewish community, which is our primary market, continues to diminish in size, this has an inevitable effect upon circulation.

The company recognises that external factors, economic or political, may have a substantial impact on the future of the business. The board will keep all matters under review in order to react to changing circumstances.

The company has a strong asset base and reserves which will assist in dealing with any unforeseen circumstances that may arise. We are conscious of the challenges that new and different media present and are constantly reviewing the opportunities that may arise, as well as the investment that might be required to develop any new strategies.

The directors are satisfied that the valuation included in the accounts for the company's investment properties is fair and reasonable. The freehold property from which the company trades has a value substantially in excess of that shown in the accounts.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2007

BUSINESS REVIEW (continued)

We are aware of changing government legislation and regulations and are studying the implications and the costs involved

Richard Fass retired as a Director of the Company with effect from 11 December 2007 after more than sixteen years at the Jewish Chronicle. During his time as Managing Director he was responsible for a number of significant improvements in the structure and running of the business. The Board acknowledges Richard's long service and his important contribution to the Company.

The directors would like to express their gratitude to all members of staff for their support, commitment, and dedication to the Jewish Chronicle. We value highly our readers' continued loyalty and interest.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In common with every other business, the group aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against those forecasts and ensuring that adequate financial facilities are in place to meet the requirements of the business. Trade debtors are also closely monitored to keep the risk of bad debts to a minimum level.

CHARITABLE DONATIONS

During the year donations were made to UK charitable organisations totalling £5,595 (2006: £2,770).

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Mr P L Levy O.B.E. (Chairman)
Mr R L Bolchover
Mrs J S Chain
Mr R A Fass (resigned 11 December 2007)
Mr S Grabiner
Mr D B Kessler
Mr A Rubenstein

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.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2007

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company or group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and group and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

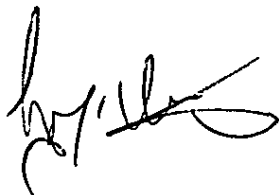
AUDITORS

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.

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

By Order of the Board

G McCarthy
Secretary



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JEWISH CHRONICLE LIMITED

We have audited the group and parent company financial statements ("the financial statements") of Jewish Chronicle Limited for the year ended 30 September 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 21. These financial statements have been prepared under 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 opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 September 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



HORWATH CLARK WHITEHILL LLP

Chartered Accountants and Registered Auditors

11 December 2007

London

JEWISH CHRONICLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 52 Issues £	2006 52 Issues £
TURNOVER	2	5,579,877	5,386,205
Cost of sales		<u>(2,289,339)</u>	<u>(2,158,190)</u>
GROSS PROFIT		3,290,538	3,228,015
Distribution and selling costs		<u>(1,015,728)</u>	<u>(965,714)</u>
Administrative expenses excluding FRS 17 pension cost adjustments		<u>(2,252,427)</u>	<u>(2,127,885)</u>
OPERATING PROFIT (excluding FRS 17 pension cost adjustments)		22,383	134,416
Administrative expenses FRS 17 pension cost adjustments	7	<u>(25,000)</u>	<u>(104,000)</u>
OPERATING (LOSS)/PROFIT	3	(2,617)	30,416
Other income	4	243,656	636,105
Other finance income	5	<u>23,000</u>	<u>12,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		264,039	678,521
Tax on profit on ordinary activities	6	<u>(82,378)</u>	<u>(54,749)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>181,661</u>	<u>623,772</u>

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2007 £	2006 £
Profit for the financial year	15	181,661	623,772
Actuarial (loss)/gain recognised in the pension scheme	15	(502,000)	557,000
Deferred tax recognised on (loss)/gain in the pension scheme	15	127,000	(168,000)
Unrealised surplus on revaluation of investment properties	15	<u>-</u>	<u>50,000</u>
Total gains and losses relating to the year		<u>(193,339)</u>	<u>1,062,772</u>

The related notes 1 to 21 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2007

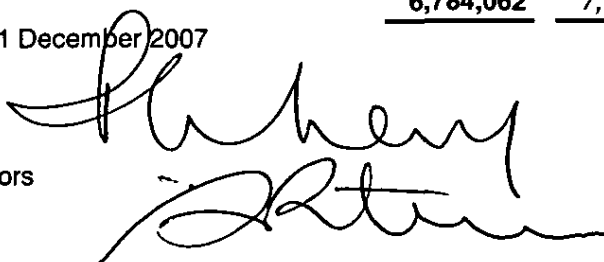
	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	1,549,191	1,512,599
Investments	9	2,936,284	4,257,848
Copyrights and goodwill		1	1
		<u>4,485,476</u>	<u>5,770,448</u>
CURRENT ASSETS			
Stocks		3,436	2,550
Debtors	11	1,609,327	1,486,894
Short term deposits		2,605,669	1,220,001
Cash at bank and in hand		5,318	15,743
		<u>4,223,750</u>	<u>2,725,188</u>
CREDITORS amounts falling due within one year	12	<u>(1,026,514)</u>	<u>(893,533)</u>
NET CURRENT ASSETS		<u>3,197,236</u>	<u>1,831,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,682,712</u>	<u>7,602,103</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(12,650)</u>	<u>(556)</u>
NET ASSETS (excluding pension liability)		<u>7,670,062</u>	<u>7,601,547</u>
Pension liability	21	<u>(886,000)</u>	<u>(509,000)</u>
NET ASSETS (Including pension liability)		<u>6,784,062</u>	<u>7,092,547</u>
CAPITAL AND RESERVES			
Called up share capital	14,15	191,910	191,910
Capital redemption reserve	15	95,990	95,990
Revaluation reserve	15	204,842	204,842
Profit and loss account	15	6,291,060	6,599,545
SHAREHOLDERS' FUNDS			
Minority interest	15	6,783,802	7,092,287
	16	260	260
		<u>6,784,062</u>	<u>7,092,547</u>

Approved by the Board of Directors on 11 December 2007
and signed on its behalf by

P L Levy

A Rubenstein

} Directors



The related notes 1 to 21 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
COMPANY BALANCE SHEET
30 SEPTEMBER 2007

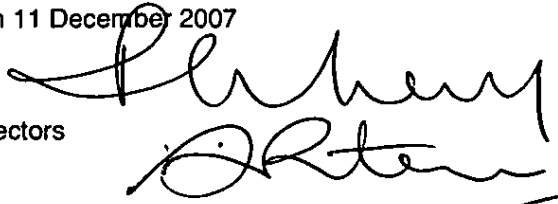
	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	1,549,191	1,512,599
Investments	9	2,936,284	4,257,848
Investments in subsidiary undertakings	10	16,091	16,090
		<u>4,501,566</u>	<u>5,786,537</u>
CURRENT ASSETS			
Stocks		3,436	2,550
Debtors	11	1,609,327	1,486,894
Short term deposits		2,605,669	1,220,001
Cash at bank and in hand		5,318	15,743
		<u>4,223,750</u>	<u>2,725,188</u>
CREDITORS: amounts falling due within one year	12	<u>(1,280,815)</u>	<u>(1,304,758)</u>
NET CURRENT ASSETS		<u>2,942,935</u>	<u>1,420,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,444,501</u>	<u>7,206,967</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(12,650)</u>	<u>(556)</u>
NET ASSETS (excluding pension liability)		<u>7,431,851</u>	<u>7,206,411</u>
Pension liability	21	<u>(886,000)</u>	<u>(509,000)</u>
NET ASSETS (Including pension liability)		<u>6,545,851</u>	<u>6,697,411</u>
CAPITAL AND RESERVES			
Called up share capital	14,15	191,910	191,910
Capital redemption reserve	15	95,990	95,990
Revaluation reserve	15	204,842	204,842
Profit and loss account	15	6,053,109	6,204,669
SHAREHOLDERS' FUNDS	15	<u>6,545,851</u>	<u>6,697,411</u>

Approved by the Board of Directors on 11 December 2007
and signed on its behalf by

P L Levy

A Rubenstein

} Directors



The related notes 1 to 21 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	<u>137,531</u>	<u>42,386</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Rental income		45,000	45,000
Investment income		305,669	138,435
Short term deposit interest		-	55,887
		<u>350,669</u>	<u>239,322</u>
TAXATION			
UK Corporation tax paid		<u>(90,971)</u>	<u>(123,719)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(131,107)	(82,471)
Proceeds of sale of tangible fixed assets		9,716	-
Purchase of investments		(126,117)	(2,595,487)
Proceeds of sale of investments		<u>1,340,668</u>	<u>2,496,829</u>
		<u>1,093,160</u>	<u>(181,129)</u>
EQUITY DIVIDENDS PAID		<u>(115,146)</u>	<u>(115,146)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES		1,375,243	(138,286)
MANAGEMENT OF LIQUID RESOURCES			
Transfers (to)/from short term deposits		<u>(1,385,668)</u>	<u>133,043</u>
DECREASE IN CASH FOR THE YEAR	18	<u>(10,425)</u>	<u>(5,243)</u>

The related notes 1 to 21 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2007

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment properties (see note 1f), and in accordance with applicable accounting standards.

The financial statements incorporate the audited results of the company and its subsidiary undertakings. The company has not presented its own profit and loss account as permitted by Section 230 Companies Act 1985.

b) Depreciation

No depreciation has been provided on freehold land or investment properties. 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

Freehold building	- 2%
Fixtures, fittings and computers	- 25%

c) Deferred Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as allowed by FRS 19

d) Pension Costs

Defined benefit scheme

Pension schemes assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement of the scheme surplus/(deficit) is split between operating charges, finance items and, in the statement of recognised gains and losses, actuarial gains and losses. The assets of the scheme are held separately from those of the company.

Defined contribution scheme

Company contributions to the company's defined contribution stakeholder pension scheme are charged to the profit and loss account as incurred. The assets of the scheme are held separately from those of the company.

e) Investments

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

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

1. ACCOUNTING POLICIES (CONTINUED)

f) 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.

2. TURNOVER

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

3. OPERATING (LOSS)/PROFIT

	2007 £	2006 £
Is stated after charging		
Depreciation	83,216	77,983
Auditors' remuneration - audit	20,000	20,000
- other services	24,000	24,000
Loss on disposal of tangible fixed assets	<u>1,583</u>	<u>3,962</u>

4. OTHER INCOME

Rental income	45,000	45,000
Investment income	143,181	138,435
Other income	80,000	-
Short term deposit interest	82,488	55,887
Net (losses)/gains on investment sales	<u>(107,013)</u>	<u>396,783</u>
	<u>243,656</u>	<u>636,105</u>

5. OTHER FINANCE INCOME

Interest on pension scheme liabilities	(772,000)	(726,000)
Expected return on pension scheme assets	<u>795,000</u>	<u>738,000</u>
	<u>23,000</u>	<u>12,000</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year (see b below)	57,906	79,687
Notional income tax suffered on dividend accumulation	11,463	4,234
Under/(over) provision in previous years	915	(3,265)
	<u>70,284</u>	<u>80,656</u>
Deferred tax		
Origination and reversal of timing differences	12,094	2,093
Impact of FRS 17 adjustments	-	(28,000)
	<u>12,094</u>	<u>(25,907)</u>
	<u>82,378</u>	<u>54,749</u>
b) Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>264,039</u>	<u>678,521</u>
Profit on ordinary activities multiplied by UK standard rate of corporation tax of 30%	79,212	203,556
Effects of:		
Differential between standard and actual rate	(21,460)	(26,788)
Permanent differences	13,752	(99,637)
Other timing differences	<u>(13,598)</u>	<u>2,556</u>
	<u>57,906</u>	<u>79,687</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

7. STAFF COSTS	2007	2006
(including executive directors)	£	£
Wages and salaries	2,190,379	2,094,875
Social security costs	227,745	203,040
Other pension costs	317,728	285,709
	<u>2,735,852</u>	<u>2,583,624</u>
FRS 17 pension cost adjustments		
- Current service cost	322,000	338,000
- Past service cost	-	38,000
- Contributions	(297,000)	(272,000)
	<u>25,000</u>	<u>104,000</u>
	<u>2,760,852</u>	<u>2,687,624</u>

Included within other pension costs above are £18,749 (2006 £13,637) of costs in connection with the company's defined contribution stakeholder pension scheme whilst the remaining £298,979 (2006 £272,072) are costs in connection with the company's defined benefit final salary scheme

Directors' Emoluments:

Aggregate emoluments - including fees to non-executive directors, taxable benefits in kind and profit related pay	<u>364,418</u>	<u>347,167</u>
Compensation for loss of office	<u>165,000</u>	<u>-</u>
Highest paid director.		
Aggregate emoluments - including taxable benefits in kind and profit related pay	<u>161,002</u>	<u>141,202</u>

In 2007 two (2006: two) 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	25	26
Selling and distribution	<u>23</u>	<u>23</u>
	<u>59</u>	<u>60</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

8. TANGIBLE FIXED ASSETS

	Investment Property £	Freehold Property £	Fixtures, Fittings and Computers £	Total £
Cost/Valuation				
1 October 2006	1,350,000	150,543	1,002,109	2,502,652
Additions	-	-	131,107	131,107
Disposals	-	-	(248,719)	(248,719)
Revaluation	-	-	-	-
30 September 2007	1,350,000	150,543	884,497	2,385,040
Depreciation				
1 October 2006	-	123,730	866,323	990,053
Charge for the year	-	2,999	80,217	83,216
Disposals	-	-	(237,420)	(237,420)
30 September 2007	-	126,729	709,120	835,849
Net Book Values				
30 September 2007	1,350,000	23,814	175,377	1,549,191
<i>30 September 2006</i>	<i>1,350,000</i>	<i>26,813</i>	<i>135,786</i>	<i>1,512,599</i>

The directors' open market valuation of the company's investment properties was £1,350,000 (2006 £1,350,000) at 30 September 2007. The properties' historic cost is £1,173,158 (2006 £1,173,158).

9. INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Cost/Net Book Value			
1 October 2006	4,132,848	125,000	4,257,848
Additions	126,117	-	126,117
Disposals	(1,447,681)	-	(1,447,681)
30 September 2007	2,811,284	125,000	2,936,284

The market value of the listed investments at 30 September 2007 was £3,402,645 (2006 £4,386,889). The directors' valuation of the unlisted investments at 30 September 2007 was £125,000 (2006 £125,000).

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS		2007	2006
		£	£
Cost and Net Book Value		<u>16,091</u>	<u>16,090</u>
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
Jewish Chronicle Pension Trustees Limited	Dormant	Ordinary	100

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

11. DEBTORS	2007	2006
	£	£
Trade debtors	974,582	983,843
Other debtors, prepayments and accrued income	<u>634,745</u>	<u>503,051</u>
	<u>1,609,327</u>	<u>1,486,894</u>

Included within other debtors, prepayments and accrued income above is £200,000 (2006 £200,000) recoverable after more than one year from the balance sheet date

12. CREDITORS amounts falling due within one year	2007	2006
	£	£
Group		
Trade creditors	177,480	200,267
Corporation tax	48,302	68,989
Other taxes and social security costs	174,056	163,660
Other creditors	489,370	345,793
Accruals and deferred income	<u>137,306</u>	<u>114,824</u>
	<u>1,026,514</u>	<u>893,533</u>
Company		
Trade creditors	177,480	200,267
Amounts owed to group undertakings	279,272	446,994
Corporation tax	23,331	33,220
Other taxes and social security costs	174,056	163,660
Other creditors	489,370	345,793
Accruals and deferred income	<u>137,306</u>	<u>114,824</u>
	<u>1,280,815</u>	<u>1,304,758</u>

13. DEFERRED TAXATION

a)	1 October 2006	(217,444)	(359,537)
	(Credit)/Charge for the year in the statement of total recognised gains and losses	(127,000)	168,000
	Transfer to/(from) profit and loss account (note 6)	<u>12,094</u>	<u>(25,907)</u>
	30 September 2007	<u>(332,350)</u>	<u>(217,444)</u>
b)	The balance at 30 September 2007 is represented by:		
	Provisions	(19,956)	(20,387)
	Short term timing differences	<u>32,606</u>	<u>20,943</u>
		12,650	556
	Deferred tax on pension liability (note 21)	<u>(345,000)</u>	<u>(218,000)</u>
		<u>(332,350)</u>	<u>(217,444)</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

14. SHARE CAPITAL	2007 £	2006 £
Authorised:		
191,000 Ordinary shares of 1p each	1,910	1,910
284,090 Non-voting Ordinary shares of £1 each	<u>284,090</u>	<u>284,090</u>
	<u>286,000</u>	<u>286,000</u>
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	<u>190,010</u>	<u>190,010</u>
	<u>191,910</u>	<u>191,910</u>

15. SHAREHOLDERS' FUNDS

Group	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
1 October 2005	191,910	95,990	154,842	5,701,919	6,144,661
Actuarial gain recognised in pension scheme	-	-	-	557,000	557,000
Deferred tax arising on loss in pension scheme	-	-	-	(168,000)	(168,000)
Profit for the financial year	-	-	-	623,772	623,772
Dividends	-	-	-	(115,146)	(115,146)
Unrealised surplus on revaluation of investment	-	-	50,000	-	50,000
1 October 2006	191,910	95,990	204,842	6,599,545	7,092,287
Profit for the financial year	-	-	-	181,661	181,661
Actuarial loss recognised in pension scheme	-	-	-	(502,000)	(502,000)
Deferred tax arising on loss in pension scheme	-	-	-	127,000	127,000
Dividends	-	-	-	(115,146)	(115,146)
30 September 2007	<u>191,910</u>	<u>95,990</u>	<u>204,842</u>	<u>6,291,060</u>	<u>6,783,802</u>

A dividend of £80,602 in respect of the year was declared subsequent to the year-end and is payable during December 2007

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

15. SHAREHOLDERS' FUNDS (CONTINUED)

Company	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
1 October 2005	191,910	95,990	154,842	5,183,468	5,626,210
Actuarial gain recognised					
In pension scheme	-	-	-	557,000	557,000
Deferred tax arising on					
loss in pension scheme	-	-	-	(168,000)	(168,000)
Profit for the financial					
year	-	-	-	747,347	747,347
Dividends	-	-	-	(115,146)	(115,146)
Unrealised surplus on					
revaluation of investment					
property	-	-	50,000	-	50,000
1 October 2006 **	191,910	95,990	204,842	6,204,669	6,697,411
Actuarial loss recognised					
In pension scheme	-	-	-	(502,000)	(502,000)
Deferred tax arising on					
loss in pension scheme	-	-	-	127,000	127,000
Profit for the					
financial year	-	-	-	338,586	338,586
Dividends	-	-	-	(115,146)	(115,146)
30 September 2007	191,910	95,990	204,842	6,053,109	6,545,851
		Group	Group	Company	Company
		2007	2006	2007	2006
		£	£	£	£
Profit and loss account excluding					
pension liability		7,177,060	7,108,545	6,939,109	6,713,669
Pension liability		(886,000)	(509,000)	(886,000)	(509,000)
Profit and loss account including					
pension liability		6,291,060	6,599,545	6,053,109	6,204,669

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

16. 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

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

	2007 £	2006 £
Operating (loss)/profit	(2,617)	30,416
Depreciation	83,216	77,983
Loss on sale of tangible fixed assets	1,583	3,962
Increase in stocks	(886)	(791)
Increase in debtors	(122,433)	(268,971)
Increase in creditors	153,668	95,787
Pension adjustment	25,000	104,000
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>137,531</u>	<u>42,386</u>

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

Decrease in cash for the year	(10,425)	(5,243)
Increase/(decrease) in short term deposits	<u>1,385,668</u>	<u>(133,043)</u>
Change in net funds	1,375,243	(138,286)
Net funds 1 October 2006	<u>1,235,744</u>	<u>1,374,030</u>
Net funds 30 September 2007	<u>2,610,987</u>	<u>1,235,744</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 October 2006 £	Cashflow £	30 September 2007 £
Cash at bank and in hand	15,743	(10,425)	5,318
Short term deposits	<u>1,220,001</u>	<u>1,385,668</u>	<u>2,605,669</u>
	<u>1,235,744</u>	<u>1,375,243</u>	<u>2,610,987</u>

20. 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. The Kessler Foundation does not prepare consolidated financial statements

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

21. PENSION COSTS

The group operates a defined benefit pension scheme providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 1 October 2003 and was updated for FRS17 purposes to 30 September 2007 by a qualified independent actuary.

The major assumptions used in this valuation were	2007	2006	2005
	%	%	%
Discount rate	5.90	5.10	5.00
Inflation assumption	3.25	3.00	2.75
Rate of increase in salaries	4.25	4.00	4.00
Rate of increase in pensions in payment	3.25	3.00	2.75

Expected rates of return for years commencing 30 September	2007	2006	2005
	%	%	%
Equities and property	6.50	6.00	5.80
Bonds	5.60	4.90	4.50
Cash	5.50	4.50	4.25

The assumptions used by the actuary are those estimates chosen from a range of possible assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were

	2007	2006	2005
	£'000	£'000	£'000
Equities and property	8,951	8,142	10,789
Bonds	6,107	6,462	2,679
Cash	10	(31)	(18)
Total market value of scheme assets	15,068	14,573	13,450
Present value of scheme liabilities	(16,299)	(15,300)	(14,642)
Deficit in the scheme	(1,231)	(727)	(1,192)
Related deferred tax asset	345	218	358
Net pension liability	(886)	(509)	(834)

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

21. PENSION COSTS (CONTINUED)

	Year ended 30 September		
	2007	2006	2005
	£'000	£'000	£'000
Analysis of the amount chargeable to operating profit			
Current service cost	322	338	305
Past service cost	-	38	-
	<hr/>	<hr/>	<hr/>
Total operating charge	322	376	305
	<hr/>	<hr/>	<hr/>
Analysis of amount recognisable in STRGL			
Actuarial return less expected return on pension scheme assets	47	635	1,622
Experience gains and losses arising on scheme Liabilities	(511)	(71)	(437)
Changes in assumptions underlying present value of scheme liabilities	(38)	(7)	(1,832)
	<hr/>	<hr/>	<hr/>
Actuarial (loss)/gain recognised in STRGL	(502)	557	(647)
	<hr/>	<hr/>	<hr/>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2007

21. PENSION COSTS (CONTINUED)

Movement in deficit in year	Year ended 30 September		
	2007 £'000	2006 £'000	2005 £'000
Deficit in scheme at beginning of year	(727)	(1,192)	(668)
Current service cost	(322)	(338)	(305)
Contributions	297	272	304
Past service costs	-	(38)	-
Other finance income	23	12	124
Actuarial (loss)/gain	(502)	557	(647)
Deficit in scheme at end of year	(1,231)	(727)	(1,192)

History of experience gains and losses

	2007	Year ended 30 September			
		2006	2005	2004	2003
Difference between expected and actual return on scheme assets					
Amount (£'000)	47	635	1,622	255	772
Percentage of scheme assets	0.3%	4.4%	12.1%	2.3%	7.3%
Experience gains and losses on scheme liabilities					
Amount (£'000)	(511)	(71)	(437)	293	(700)
Percentage of present value of scheme liabilities	3.1%	0.5%	3.0%	2.4%	5.6%
Changes in assumptions underlying present value of scheme liabilities					
Amount (£'000)	(38)	(7)	(1,832)	787	(158)
Percentage of present value of scheme liabilities	0.0%	0.0%	12.5%	6.6%	1.2%
Total amount recognised in STRGL					
Amount (£'000)	(502)	557	(647)	1,335	(86)
Percentage of present value of scheme liabilities	3.1%	3.6%	4.4%	11.2%	0.7%

Subsequent to the actuarial valuation as at 1 October 2003, the company has been contributing to the scheme at a rate of 20.7% of pensionable salary, plus the cost of death in service insurance cover, from 1 January 2005 and at a rate of 26.7% 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 £258,213 (2006 £231,821).

In addition to the above, the scheme holds assets of £114,000 (2006 £99,500) that have been earmarked for the provision of additional benefits on a money purchase basis as a result of members' Additional Voluntary Contributions.