

**JEWISH CHRONICLE LIMITED
DIRECTORS' REPORT AND GROUP
FINANCIAL STATEMENTS
30 SEPTEMBER 2008**



Horwath Clark Whitehill

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JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 30 SEPTEMBER 2008

The directors submit their report and the financial statements for the year ended 30 September 2008.

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 2008 are shown in the profit and loss account.

A dividend of £40,301 in respect of the year was declared subsequent to the year-end and is payable in December 2008. The dividend charged to the profit and loss account in the year of £80,490 represents the dividend declared subsequent to 30 September 2007 in respect of the year then ended.

BUSINESS REVIEW

Trading has proved to be difficult throughout the year and the JC in common with other print media, was hit with a downturn in advertising spend which deteriorated as the year progressed. Overall turnover has decreased by 2% over last year, and our total costs have increased by 7% due to continuing investment in the product, together with unusually high legal and associated costs connected with staff restructuring and supporting the pension fund scheme.

Other income comprising investment and rental income show a modest increase over last year.

We have continued with our marketing campaign to encourage readers to take out annual subscriptions which are continuing to increase.

We have produced seven successful colour magazines during the year, but will publish only four during the coming year together with an additional number of traditional supplements.

Our website, the JC.Com was relaunched in September and is progressing well. The executive team are working together to make the site more commercially attractive.

Our primary market – the Jewish Community, continues to diminish in numbers which affects circulation and our ability to attract advertisers. We have however, entered into a distribution arrangement with the Jerusalem Post to increase our hitherto low circulation in Israel; this has started well and we consider it has good growth potential.

The editor, David Rowan, left in October 2008 to take up a position at Conde Nast Publications. After a successful search Stephen Pollard has been appointed and starts at the end of November.

Notwithstanding the extremely difficult trading conditions the company continues to have a strong asset base and reserves and is free of debt. This will assist in dealing with any unforeseen circumstances that may arise due to economic or political factors which may have an impact on the business and to take advantage of any opportunities that may arise.

The board carried out an in-depth strategy review during the year and a number of new ideas have emerged which will be investigated further at the appropriate time.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2008

BUSINESS REVIEW (continued)

Due to the adverse financial conditions the Pension Fund deficit has increased and shortfalls have also arisen in cash flow due to several significant pensions now falling due. As reported last year the board granted a first charge to the Pension Fund Trustees over the company's freehold properties at 25/26 Furnival Street, to provide additional security. However, in the light of the current difficult situation the company has agreed to provide further funds to the Pension Fund including an ad hoc cash contribution for the current year. The board will continue to monitor the position and review matters as they arise.

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 £13,607 (2007: £5,595).

DIRECTORS

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	

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2008

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

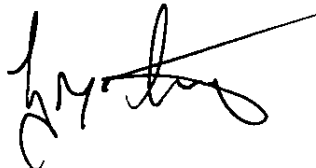
Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

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 A 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 2008 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 2008 and of the group's loss 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.

10 December 2008


HORWATH CLARK WHITEHILL LLP

Chartered Accountants and Registered Auditors

London

JEWISH CHRONICLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 52 Issues £	2007 52 Issues £
TURNOVER	2	5,472,092	5,579,877
Cost of sales		<u>(2,452,832)</u>	<u>(2,289,339)</u>
GROSS PROFIT		3,019,260	3,290,538
Distribution and selling costs		<u>(1,115,403)</u>	<u>(1,015,728)</u>
Administrative expenses : excluding FRS 17 pension cost adjustments		<u>(2,093,389)</u>	<u>(2,252,427)</u>
OPERATING (LOSS)/PROFIT (excluding FRS 17 pension cost adjustments)		(189,532)	22,383
Administrative expenses : FRS 17 pension cost adjustments	7	<u>82,000</u>	<u>(25,000)</u>
OPERATING LOSS	3	(107,532)	(2,617)
Amounts written off investments – listed	9	(256,175)	-
Amounts written off investments – other		(15,000)	-
Other income	4	293,852	243,656
Other finance (cost)/income	5	<u>(36,000)</u>	<u>23,000</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(120,855)	264,039
Tax on (loss)/profit on ordinary activities	6	<u>(20,690)</u>	<u>(82,378)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	<u>(141,545)</u>	<u>181,661</u>

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2008 £	2007 £
(Loss)/profit for the financial year	15	(141,545)	181,661
Actuarial loss recognised in the pension scheme	15	(992,000)	(502,000)
Deferred tax recognised on loss in the pension scheme	15	265,000	127,000
Total gains and losses relating to the year		<u>(868,545)</u>	<u>(193,339)</u>

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


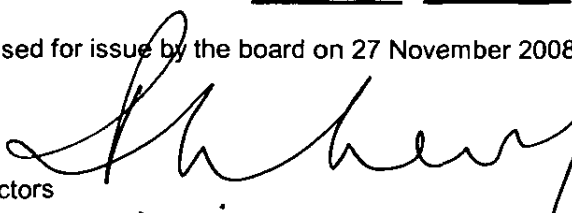
JEWISH CHRONICLE LIMITED
CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	1,497,243	1,549,191
Investments	9	2,768,301	2,936,284
Copyrights and goodwill		1	1
		<u>4,265,545</u>	<u>4,485,476</u>
CURRENT ASSETS			
Stocks		1,906	3,436
Debtors	11	1,499,848	1,609,327
Short term deposits		2,370,669	2,605,669
Cash at bank and in hand		10,340	5,318
		<u>3,882,763</u>	<u>4,223,750</u>
CREDITORS: amounts falling due within one year	12	<u>(730,285)</u>	<u>(1,026,514)</u>
NET CURRENT ASSETS		<u>3,152,478</u>	<u>3,197,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,418,023</u>	<u>7,682,712</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(15,996)</u>	<u>(12,650)</u>
NET ASSETS (excluding pension liability)		<u>7,402,027</u>	<u>7,670,062</u>
Pension liability	21	<u>(1,567,000)</u>	<u>(886,000)</u>
NET ASSETS (including pension liability)		<u>5,835,027</u>	<u>6,784,062</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	5,342,025	6,291,060
SHAREHOLDERS' FUNDS			
Minority interest	15 16	5,834,767 260	6,783,802 260
		<u>5,835,027</u>	<u>6,784,062</u>

The financial statements were approved and authorised for issue by the board on 27 November 2008 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.


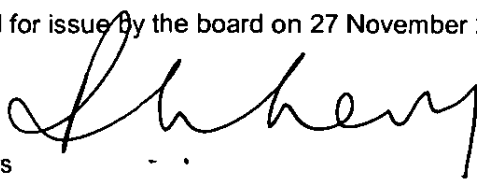
JEWISH CHRONICLE LIMITED
COMPANY BALANCE SHEET
30 SEPTEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	1,497,243	1,549,191
Investments	9	2,768,301	2,936,284
Investments in subsidiary undertakings	10	16,091	16,091
		<u>4,281,635</u>	<u>4,501,566</u>
CURRENT ASSETS			
Stocks		1,906	3,436
Debtors	11	1,499,848	1,609,327
Short term deposits		2,370,669	2,605,669
Cash at bank and in hand		10,340	5,318
		<u>3,882,763</u>	<u>4,223,750</u>
CREDITORS: amounts falling due within one year	12	<u>(911,824)</u>	<u>(1,280,815)</u>
NET CURRENT ASSETS		<u>2,970,939</u>	<u>2,942,935</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,252,574</u>	<u>7,444,501</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(15,996)</u>	<u>(12,650)</u>
NET ASSETS (excluding pension liability)		<u>7,236,578</u>	<u>7,431,851</u>
Pension liability	21	<u>(1,567,000)</u>	<u>(886,000)</u>
NET ASSETS (including pension liability)		<u>5,669,578</u>	<u>6,545,851</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	5,176,836	6,053,109
SHAREHOLDERS' FUNDS	15	<u>5,669,578</u>	<u>6,545,851</u>

The financial statements were approved and authorised for issue by the board on 27 November 2008 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 2008

	Notes	2008 £	2007 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	17	(238,117)	137,531
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Rental income		45,000	45,000
Investment income		114,663	223,181
Short term deposit interest		134,189	82,488
		293,852	350,669
TAXATION			
UK Corporation tax paid		(58,185)	(90,971)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of minority interest in subsidiary undertaking		(15,000)	-
Purchase of tangible fixed assets		(52,445)	(131,107)
Proceeds of sale of tangible fixed assets		8,599	9,716
Purchase of investments		(88,192)	(126,117)
Proceeds of sale of investments		-	1,340,668
		(147,038)	1,093,160
EQUITY DIVIDENDS PAID		(80,490)	(115,146)
NET CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES		(229,978)	1,375,243
MANAGEMENT OF LIQUID RESOURCES			
Transfers from/(to) short term deposits		235,000	(1,385,668)
INCREASE/(DECREASE) IN CASH FOR THE YEAR	18	5,022	(10,425)

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

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2008

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 2008

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

	2008	2007
	£	£
Is stated after charging:		
Depreciation	79,075	83,216
Auditors' remuneration - audit	20,000	20,000
- other services	29,696	24,000
Loss on disposal of tangible fixed assets	16,719	1,583

4. OTHER INCOME

Rental income	45,000	45,000
Investment income	114,663	143,181
Other income	-	80,000
Short term deposit interest	134,189	82,488
Net loss on investment sales	-	(107,013)
	293,852	243,656

5. OTHER FINANCE (COST)/INCOME

Interest on pension scheme liabilities	(950,000)	(772,000)
Expected return on pension scheme assets	914,000	795,000
	(36,000)	23,000

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year (see b below)	7,460	57,906
Notional income tax suffered on dividend accumulation	9,799	11,463
Under provision in previous years	85	915
	<u>17,344</u>	<u>70,284</u>
Deferred tax (see note 13)	<u>3,346</u>	<u>12,094</u>
	<u>20,690</u>	<u>82,378</u>
b) Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	<u>(120,855)</u>	<u>264,039</u>
(Loss)/profit on ordinary activities multiplied by UK standard rate of corporation tax	<u>(35,048)</u>	<u>79,212</u>
Effects of:		
Differential between standard and actual rate	(3,094)	(21,460)
Permanent differences	44,729	13,752
Other timing differences	873	(13,598)
	<u>7,460</u>	<u>57,906</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

7. STAFF COSTS (including executive directors)	2008 £	2007 £
Wages and salaries	2,189,600	2,190,379
Social security costs	220,992	227,745
Other pension costs	352,313	317,728
	<u>2,762,905</u>	<u>2,735,852</u>
FRS 17 pension cost adjustments		
- Current service cost	186,000	322,000
- Past service cost	16,000	-
- Contributions	(284,000)	(297,000)
	<u>(82,000)</u>	<u>25,000</u>
	<u>2,680,905</u>	<u>2,760,852</u>

Included within other pension costs above are £28,271 (2007: £18,749) of costs in connection with the company's defined contribution stakeholder pension scheme whilst the remaining £324,042 (2007: £298,979) 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>256,795</u>	<u>364,418</u>
Compensation for loss of office	<u>-</u>	<u>165,000</u>
Highest paid director:		
Aggregate emoluments - including taxable benefits in kind and profit related pay	<u>169,179</u>	<u>161,002</u>

In 2008 two (2007: 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	10	11
Editorial	26	25
Selling and distribution	24	23
	<u>60</u>	<u>59</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

8. TANGIBLE FIXED ASSETS

	Investment Properties £	Freehold Property £	Fixtures, Fittings and Computers £	Total £
Cost/Valuation:				
1 October 2007	1,350,000	150,543	884,497	2,385,040
Additions	-	-	52,445	52,445
Disposals	-	-	(51,878)	(51,878)
30 September 2008	1,350,000	150,543	885,064	2,385,607
Depreciation:				
1 October 2007	-	126,729	709,120	835,849
Charge for the year	-	2,999	76,076	79,075
Disposals	-	-	(26,560)	(26,560)
30 September 2008	-	129,728	758,636	888,364
Net Book Values				
30 September 2008	1,350,000	20,815	126,428	1,497,243
<i>30 September 2007</i>	<i>1,350,000</i>	<i>23,814</i>	<i>175,377</i>	<i>1,549,191</i>

The directors' open market valuation of the company's investment properties was £1,350,000 (2007: £1,350,000) at 30 September 2008. The properties' historic cost is £1,173,158 (2007: £1,173,158).

During the year the group's defined benefit pension scheme was granted a first charge over one of the group's investment properties and the group's freehold property.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

9. INVESTMENTS	Listed Investments £	Unlisted Investments £	Total £
Cost			
1 October 2007	2,811,284	125,000	2,936,284
Additions	88,192	-	88,192
	<u>2,899,476</u>	<u>125,000</u>	<u>3,024,476</u>
30 September 2008			
Provision			
Charge for year and 30 September 2008	256,175	-	256,175
	<u>2,643,301</u>	<u>125,000</u>	<u>2,768,301</u>
Net Book Value			
30 September 2008			
	<u>2,643,301</u>	<u>125,000</u>	<u>2,768,301</u>
30 September 2007	2,811,284	125,000	2,936,284

The market value of the listed investments at 30 September 2008 was £2,690,474 (2007: £3,402,645). The directors' valuation of the unlisted investments at 30 September 2008 was £125,000 (2007: £125,000).

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£
Cost	
1 October 2007	16,091
Additions	15,000
	<u>31,091</u>
30 September 2008	
Provision	
Charge for year and 30 September 2008	15,000
	<u>16,091</u>
Net Book Value	
30 September 2008	
	<u>16,091</u>
30 September 2007	16,091

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	100
JC Online Limited	Dormant	Ordinary	100
Jewish Chronicle Pension Trustees Limited	Dormant	Ordinary	100

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

11. DEBTORS	2008 £	2007 £
Group and Company		
Trade debtors	898,845	974,582
Other debtors, prepayments and accrued income	601,003	634,745
	<u>1,499,848</u>	<u>1,609,327</u>
 12. CREDITORS: amounts falling due within one year		
Group		
Trade creditors	238,603	177,480
Corporation tax	7,461	48,302
Other taxes and social security costs	142,406	174,056
Other creditors	193,192	489,370
Accruals and deferred income	148,623	137,306
	<u>730,285</u>	<u>1,026,514</u>
 Company		
Trade creditors	238,603	177,480
Amounts owed to group undertakings	181,540	279,272
Corporation tax	7,460	23,331
Other taxes and social security costs	142,406	174,056
Other creditors	193,192	489,370
Accruals and deferred income	148,623	137,306
	<u>911,824</u>	<u>1,280,815</u>
 13. DEFERRED TAXATION		
a) 1 October 2007	(332,350)	(217,444)
Credit for the year in the statement of total recognised gains and losses	(265,000)	(127,000)
Transfer to profit and loss account (note 6)	3,346	12,094
 30 September 2008	<u>(594,004)</u>	<u>(332,350)</u>
 b) The balance at 30 September 2008 is represented by:		
Provisions	(17,910)	(19,956)
Short term timing differences	33,906	32,606
	<u>15,996</u>	<u>12,650</u>
Deferred tax on pension liability (note 21)	(610,000)	(345,000)
	<u>(594,004)</u>	<u>(332,350)</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

14. SHARE CAPITAL		2008	2007
		£	£
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
		<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		190,010	190,010
		<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 2006	191,910	95,990	204,842	6,599,545	7,092,287
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	-	-	-	181,661	181,661
Dividends	-	-	-	(115,146)	(115,146)
1 October 2007	191,910	95,990	204,842	6,291,060	6,783,802
Loss for the financial year	-	-	-	(141,545)	(141,545)
Actuarial loss recognised in pension scheme	-	-	-	(992,000)	(992,000)
Deferred tax arising on loss in pension scheme	-	-	-	265,000	265,000
Dividends	-	-	-	(80,490)	(80,490)
30 September 2008	191,910	95,990	204,842	5,342,025	5,834,767

A dividend of £40,301 in respect of the year was declared subsequent to the year-end and is payable during December 2008.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

15. SHAREHOLDERS' FUNDS (CONTINUED)

Company	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
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)
1 October 2007	191,910	95,990	204,842	6,053,109	6,545,851
Actuarial loss recognised In pension scheme	-	-	-	(992,000)	(992,000)
Deferred tax arising on loss in pension scheme	-	-	-	265,000	265,000
Loss for the financial year	-	-	-	(68,783)	(68,783)
Dividends	-	-	-	(80,490)	(80,490)
30 September 2008	191,910	95,990	204,842	5,176,836	5,669,578
		Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Profit and loss account excluding pension liability		6,909,025	7,177,060	6,743,836	6,939,109
Pension liability		(1,567,000)	(886,000)	(1,567,000)	(886,000)
Profit and loss account including pension liability		5,342,025	6,291,060	5,176,836	6,053,109

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

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 TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating loss	(107,532)	(2,617)
Depreciation	79,075	83,216
Loss on sale of tangible fixed assets	16,719	1,583
Decrease/(increase) in stocks	1,530	(886)
Decrease/(increase) in debtors	109,479	(122,433)
(Decrease)/increase in creditors	(255,388)	153,668
Pension adjustment	(82,000)	25,000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(238,117)	137,531

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

Increase/(decrease) in cash for the year	5,022	(10,425)
(Decrease)/increase in short term deposits	(235,000)	1,385,668
Change in net funds	(229,978)	1,375,243
Net funds 1 October 2007	2,610,987	1,235,744
Net funds 30 September 2008	2,381,009	2,610,987

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 October 2007 £	Cashflow £	30 September 2008 £
Cash at bank and in hand	5,318	5,022	10,340
Short term deposits	2,605,669	(235,000)	2,370,669
	2,610,987	(229,978)	2,381,009

20. ULTIMATE PARENT UNDERTAKING

The directors consider The Kessler Foundation, a company which is limited by guarantee and a registered charity, to be the company's immediate and ultimate parent undertaking. The Kessler Foundation does not prepare consolidated financial statements.

JEWISH CHRONICLE LIMITED
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21. PENSION COSTS

The company operates a defined benefit pension scheme, the Jewish Chronicle Limited 1973 Retirement Benefits Scheme. A full valuation was undertaken at 1 October 2006 and updated to 30 September 2008 by a qualified independent actuary. The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

	2008 %	2007 %	2006 %
Discount rate	7.00	5.90	5.10
Expected long-term rate of return on scheme assets	5.90	6.10	6.10
Increase in salaries	4.50	4.25	4.00
Inflation assumption	3.50	3.25	3.00
Pension increases	3.50	3.25	3.00

The underlying mortality assumption is based upon the standard table known as PCA00 on a year of birth usage with medium cohort future improvement factors subject to a minimum annual rate of future improvement equal to 1.0% (2007: PA92 on a year of birth basis with medium cohort future improvement factors).

The increase in salaries figure for 2008 of 4.5%, noted above, represents an actuarial assumption for the long-term average for salary increases. The directors do not intend to award such increases during the year ended 30 September 2009 and have placed a moratorium on all salary increases.

Employee Benefit Obligations

The amounts recognised in the balance sheet at 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Present value of scheme liabilities	(15,313)	(16,299)
Market value of scheme assets	13,136	15,068
Deficit in the scheme	(2,177)	(1,231)
Related deferred tax asset	610	345
Net pension liability	(1,567)	(886)

The amounts recognised in the profit and loss account for the year ending 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Current service cost	186	322
Interest on scheme liabilities	950	(772)
Expected return on scheme assets	(914)	795
Past service cost	16	-
	238	345

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

21. PENSION COSTS (CONTINUED)

Changes in the present value of the scheme liabilities for the year ending 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Present value of scheme liabilities at beginning of year	16,299	15,300
Current service cost	186	322
Employee contributions	92	74
Past service cost	16	-
Interest cost	950	772
Actuarial (losses)/gains	(1,528)	549
Benefits paid	(702)	(718)
	<u>15,313</u>	<u>16,299</u>
Present value of scheme liabilities at end of year	<u>15,313</u>	<u>16,299</u>

Changes in the fair value of the scheme assets for the year ending 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Market value of scheme assets at beginning of year	15,068	14,573
Expected return	914	795
Actuarial (losses)/gains	(2,520)	47
Benefits paid	(702)	(718)
Contributions paid by the company	284	297
Employee contributions	92	74
	<u>13,136</u>	<u>15,068</u>
Market value of scheme assets at end of year	<u>13,136</u>	<u>15,068</u>

The agreed contributions to be paid by the company for the forthcoming year ending 30 September 2009 is 25.7% of pensionable salaries to 31 December 2008 and 20.7% of pensionable salaries thereafter, subject to review at future actuarial valuations. In addition the company will pay the expenses associated with the scheme, the premiums on the policies insuring the death-in-service benefits and any levies payable.

The main categories of scheme assets as a percentage of total scheme assets for the year ending 30 September 2008 were as follows:

	2008 %	2007 %
Equities and property	53	59
Bonds	45	41
Cash	2	-
	<u>100</u>	<u>100</u>

The expected long-term rate of return on the scheme assets has been based upon the major asset categories shown in the above table and an expected rate of return on equities and property of 6.3% (2007: 6.5%), an expected rate of return on bonds of 5.5% (2007: 5.6%) and an expected rate of return on cash of 4.75% (2007: 5.5%).

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2008

21. PENSION COSTS (CONTINUED)

The amounts recognised in the statement of total recognised gains and losses ("STRGL") in the year ending 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Actuarial return less expected return on scheme assets	(2,520)	47
Experience gains and losses arising on scheme Liabilities	(417)	(511)
Changes in assumptions underlying the present value of scheme liabilities	<u>1,945</u>	<u>(38)</u>
Actuarial loss recognised in STRGL	<u>(992)</u>	<u>(502)</u>

Cumulative amount of actuarial gains and losses recognised in STRGL for the year ending 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Cumulative actuarial loss at beginning of year	(2,936)	(2,434)
Recognised during year	<u>(992)</u>	<u>(502)</u>
Cumulative actuarial loss at end of year	<u>(3,928)</u>	<u>(2,936)</u>

Movement in deficit for the year ending 30 September 2008 were as follows:

	2008 £'000	2007 £'000
Deficit in scheme at beginning of year	(1,231)	(727)
Expenses recognised in profit and loss account	(238)	(299)
Contributions paid by the company	284	297
Actuarial losses	<u>(992)</u>	<u>(502)</u>
Deficit in scheme at end of year	<u>(2,177)</u>	<u>(1,231)</u>

Five year summary	2008 £'000	2007 £'000	2006 £'000	2005 £'000	2004 £'000
Present value of scheme liabilities	15,313	16,299	15,300	14,642	11,973
Market value of scheme assets	<u>13,136</u>	<u>15,068</u>	<u>14,573</u>	<u>13,450</u>	<u>11,305</u>
Deficit in the scheme	<u>2,177</u>	<u>1,231</u>	<u>727</u>	<u>1,192</u>	<u>668</u>
Actual return less expected return on scheme assets	<u>(2,520)</u>	<u>47</u>	<u>635</u>	<u>1,622</u>	<u>255</u>
Experience gains and losses arising on scheme liabilities	<u>(417)</u>	<u>(511)</u>	<u>(71)</u>	<u>(437)</u>	<u>293</u>
Changes in the assumptions underlying the present value of scheme liabilities	<u>1,945</u>	<u>(38)</u>	<u>(7)</u>	<u>(1,832)</u>	<u>787</u>