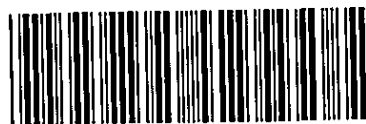


Company Registration No 95587 (England and Wales)

JEWISH CHRONICLE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

FRIDAY



A1C3NCO3

A48

29/06/2012

#205

COMPANIES HOUSE

JEWISH CHRONICLE LIMITED

COMPANY INFORMATION

Directors	P J Mann T Abraham D W Finkelstein A R Julius M H Marx
Secretary	G A McCarthy
Company number	95587
Registered office	25 Funnival Street London EC4A 1JT
Auditors	H W Fisher & Company Acrc House 11-15 William Road London NW1 3ER
Bankers	National Westminster Bank PLC 135 Bishopsgate London EC2M 3UR

JEWISH CHRONICLE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Statement of directors' responsibilities	3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 23

JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and group financial statements for the year ended 30 September 2011

Principal activities and review of the business

The principal activity of the company and its subsidiaries continues to be the publication of the Jewish Chronicle newspaper ("the JC") together with its website thejc.com

The troubled economic climate and associated advertising market impact, coupled with the global pressure on newspaper circulation, created challenging conditions for the JC in 2011. The year had 1 less financial week and published issue than the previous year (52 weeks rather than 53 weeks). This impacted our advertising revenue, which saw a decrease of 3%. Circulation experienced a 2.3% decline overall, although this was in fact less substantial than much of the rest of the market and indeed our subscription base increased by 2% from the prior year. In order to increase revenue 6 additional colour magazines were produced, resulting in £161,000 in additional income compared to the increased cost of £85,000. On the cost side, there were a number of significant increases including 2 rises in the price of paper - 18.4% in January 2011 and 7.5% in July 2011.

Other notable costs were

MD severance package £112,000

Restructuring costs of £218,400 (including £169,000 provision)

£200,000 Past Service Deficit Payment to Pension Scheme (None in the prior year)

In order to try to mitigate losses, the company took a decision to cease production of JC North and outsource subscriptions.

In January of this period the new board took up their positions. In September 2011 a new Chief Executive, Tracy Abraham, was appointed. Since then substantial restructuring has taken place with both a new Commercial Director and Marketing personnel appointed.

The biggest issue facing the JC both through and post this reporting period has been the pension deficit. Over the period, legal and professional fees alone increased by £130,000 primarily due to the scheme. The company is currently in negotiation with the Pension scheme Trustees and the Pensions Regulator with the aim of reaching an agreed settlement under which substantially all of the company's assets would be transferred into the pension scheme in exchange for bringing to an end its ongoing obligations to the scheme. Discussions are ongoing with these parties such that the company, in such an event, will retain sufficient working capital to finance its ongoing business. There is regular contact between all parties with the aim of achieving a settlement in the near future. A provision of £1,760,000 has been added to the actuarially-determined pension liability in order to reflect the break-even balance sheet resulting from the likely settlement (see note 18 to the financial statements).

Market value of land and buildings

The directors have assessed the market value of the freehold properties included in the accounts at £11,818 to be approximately £3,000,000.

Directors

The directors who served during the year were

R L Bolchover	(Resigned 31 December 2010)
J S Chan	(Resigned 31 December 2010)
D B Kessler	(Resigned 31 December 2010)
P J Mann	(Appointed 31 December 2010)
A Rubenstein	(Resigned 4 September 2011)
T Abraham	(Appointed 31 December 2010)
D W Finkelstein	(Appointed 14 March 2011)
A R Julius	(Appointed 18 January 2011)
M H Marx	(Appointed 14 March 2011)

	2011	2010
	£	£
During the year the company made the following payments		
Charitable donations	2,983	10,770

JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

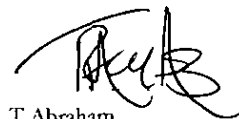
Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

H W Fisher & Company were appointed auditors to the company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the members.

On behalf of the board



T Abraham

Director

Dated

27/06/12

JEWISH CHRONICLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 accounting 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

JEWISH CHRONICLE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS 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 2011 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2011 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Implications of pension deficit on going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 11 of the financial statements, regarding the company's ability to continue as a going concern which is dependent on a satisfactory outcome being reached in the ongoing negotiations with the pension scheme trustees and the Pensions Regulator. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

JEWISH CHRONICLE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF JEWISH CHRONICLE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

David Breger (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acrc House
11-15 William Road
London
United Kingdom
NW1 3LR

Dated

28th June 2012

JEWISH CHRONICLE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	4,541,340	4,704,322
Cost of sales		(2,182,988)	(2,145,124)
Gross profit		2,358,352	2,559,198
Distribution costs		(1,258,135)	(1,158,083)
Administrative expenses		(2,157,105)	(1,728,222)
Operating loss	3	(1,056,888)	(327,107)
Exceptional profit on sale of investments		326	210,418
Loss on ordinary activities before interest		(1,056,562)	(116,689)
Investment income	6	55,000	95,883
Other interest receivable and similar income	7	21,316	10,337
Other finance costs	8	(270,000)	(248,000)
Loss on ordinary activities before taxation		(1,250,246)	(258,469)
Tax on loss on ordinary activities	9	(24,000)	193,041
Loss on ordinary activities after taxation		(1,274,246)	(65,428)

The profit and loss account has been prepared on the basis that all operations are continuing operations

JEWISH CHRONICLE LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

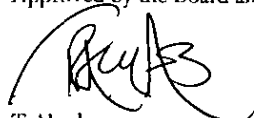
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	2011	2010
	£	£
Loss for the financial year	(1,274,246)	(65,428)
Unrealised deficit on revaluation of properties	-	(42,000)
Actuarial loss on pension scheme	(1,259,000)	(760,000)
Movement on deferred tax relating to pension liability	(112,000)	(297,000)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(2,645,246)	(1,164,428)
	<hr/>	<hr/>

JEWISH CHRONICLE LIMITED**BALANCE SHEETS****AS AT 30 SEPTEMBER 2011**

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Intangible assets		1	1	-	-
Tangible assets	11	1,316,301	1,309,298	1,316,301	1,309,298
Investments	12	150,000	125,000	150,501	141,091
		<u>1,466,302</u>	<u>1,434,299</u>	<u>1,466,802</u>	<u>1,450,389</u>
Current assets					
Stocks	13	3,724	930	3,724	930
Debtors	14	1,234,704	1,240,721	1,234,704	1,230,970
Investments	15	4,201,703	4,911,703	4,201,703	4,911,703
Cash at bank and in hand		66,326	100,018	66,325	100,018
		<u>5,506,457</u>	<u>6,253,372</u>	<u>5,506,456</u>	<u>6,243,621</u>
Creditors amounts falling due within one year	16	(911,086)	(490,752)	(911,587)	(550,027)
Net current assets		<u>4,595,371</u>	<u>5,762,620</u>	<u>4,594,869</u>	<u>5,693,594</u>
Total assets less current liabilities		<u>6,061,673</u>	<u>7,196,919</u>	<u>6,061,671</u>	<u>7,143,983</u>
Retirement benefit obligations	18	(6,052,000)	(4,542,000)	(6,052,000)	(4,542,000)
		<u>9,673</u>	<u>2,654,919</u>	<u>9,671</u>	<u>2,601,983</u>
Capital and reserves					
Called up share capital	19	191,910	191,910	191,910	191,910
Revaluation reserve	20	62,842	62,842	62,842	62,842
Other reserves	20	95,990	95,990	95,990	95,990
Profit and loss account	20	(341,329)	2,303,917	(341,071)	2,251,241
Shareholders' funds	22	<u>9,413</u>	<u>2,654,659</u>	<u>9,671</u>	<u>2,601,983</u>
Minority interests	21	260	260	-	-
		<u>9,673</u>	<u>2,654,919</u>	<u>9,671</u>	<u>2,601,983</u>

Approved by the Board and authorised for issue on


T Abraham
Director

JEWISH CHRONICLE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	£	2011 £	2010 £
Net cash outflow from operating activities	23		(747,103)	(301,822)
Returns on investments and servicing of finance				
Interest received		21,316	10,337	
Rent received		55,000	50,000	
Dividends received		-	45,883	
Net cash inflow for returns on investments and servicing of finance			76,316	106,220
Taxation			-	20,093
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		(62,301)	(81,444)	
Payments to acquire fixed asset investments		(150,000)	(13,147)	
Receipts from sales of tangible fixed assets		14,396	99	
Receipts from sales of fixed asset investments		125,000	2,872,472	
Net cash (outflow)/inflow for capital expenditure			(72,905)	2,777,980
Equity dividends paid			-	(50,376)
Net cash (outflow)/inflow before management of liquid resources			(743,692)	2,552,095
Net cash inflow/(outflow) from management of liquid resources			710,000	(2,486,034)
(Decrease)/increase in cash in the year	25, 24		(33,692)	66,061

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties

As mentioned in the directors' report, the company is currently in negotiation with the pension scheme trustees and the Pensions Regulator regarding the pension scheme deficit. The directors are of the view that there will be a satisfactory outcome to these negotiations which will enable the company to continue as a going concern.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

1.3 Basis of consolidation

The financial statements consolidate the results of the company and its subsidiary undertakings. The company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Tangible fixed assets and depreciation

No depreciation has been provided on freehold land or investment properties. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold properties	2% straight line
Fixtures, fittings & equipment	25% straight line

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.

1.6 Investments

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

1.7 Pensions

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.

Defined benefit scheme

Pension scheme 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 corporate bond similar in 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.

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2011 £	2010 £
Operating profit is stated after charging		
Depreciation of owned tangible assets	48,486	66,131
Restructuring costs	218,400	-
Fees payable to the group's auditor for the audit of the group's annual accounts (company £20,000, 2010 £20,000)	20,000	20,000
and after crediting		
Profit on disposal of tangible assets	7,258	99

4 Directors' emoluments	2011 £	2010 £
Emoluments for qualifying services	325,568	205,769

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	261,882	175,769
------------------------------------	---------	---------

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Management and office	10	10
Editorial	26	27
Selling and distribution	23	24
	59	61

Employment costs	2011 £	2010 £
Wages and salaries	2,293,736	2,270,093
Social security costs	288,997	222,467
Other pension costs	185,303	183,184
	2,768,036	2,675,744

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

6	Investment income	2011	2010
		£	£
	Income from listed investments	-	45,883
	Rent receivable	55,000	50,000
		<u>55,000</u>	<u>95,883</u>
		<u><u>55,000</u></u>	<u><u>95,883</u></u>
 7	 Other interest receivable and similar income	 2011	 2010
		£	£
	Other interest	21,316	10,337
		<u>21,316</u>	<u>10,337</u>
		<u><u>21,316</u></u>	<u><u>10,337</u></u>
 8	 Other finance costs	 2011	 2010
		£	£
	Interest on pension scheme liabilities	984,000	995,000
	Expected return on pension scheme assets	(714,000)	(747,000)
		<u>270,000</u>	<u>248,000</u>
		<u><u>270,000</u></u>	<u><u>248,000</u></u>

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

9	Taxation	2011 £	2010 £
	Domestic current year tax		
	Adjustment for prior years	-	(21,700)
	Tax credits on franked investment income	-	1,659
	Current tax charge	-	(20,041)
	Deferred tax		
	Deferred tax charge	24,000	(173,000)
		24,000	(193,041)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(1,250,246)	(258,469)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	(250,049)	(54,278)
	Effects of		
	Non deductible expenses	5,579	8,565
	Capital allowances in advance of depreciation	(3,942)	(35,831)
	Losses carried back and forward	224,479	49,313
	Adjustments to previous periods	-	(21,700)
	Pension costs in excess of charge	23,000	48,930
	Dividends and distributions received	-	(1,824)
	Other tax adjustments	933	(13,216)
		250,049	34,237
	Current tax charge	-	(20,041)

Corporation Tax losses of approximately £930,000 (2010 £290,000) were being carried forward at 30 September 2011 and the related deferred tax asset has not been recognised in the financial statements as there is insufficient certainty of recovery

10 (Loss)/profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The (loss)/profit for the financial year is made up as follows:

	2011 £	2010 £
Holding company's (loss)/profit for the financial year	(1,221,312)	50,147

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

11 Tangible fixed assets Group and company

	Investment properties	Freehold properties	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 October 2010	1,208,000	150,543	875,775	2,234,318
Additions	-	-	62,301	62,301
Disposals	-	-	(27,249)	(27,249)
At 30 September 2011	1,208,000	150,543	910,827	2,269,370
Depreciation				
At 1 October 2010	-	135,726	789,294	925,020
On disposals	-	-	(20,437)	(20,437)
Charge for the year	-	2,999	45,487	48,486
At 30 September 2011	-	138,725	814,344	953,069
Net book value				
At 30 September 2011	1,208,000	11,818	96,483	1,316,301
At 30 September 2010	1,208,000	14,817	86,481	1,309,298

Comparable historical cost for investment properties included at valuation

	£
Cost	
At 1 October 2010 & at 30 September 2011	1,145,158
Depreciation based on cost	
At 1 October 2010	-
Charge for the year	-
At 30 September 2011	-
Net book value	
At 30 September 2011	1,145,158
At 30 September 2010	1,145,158

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

12 Fixed asset investments

Group

	Unlisted investments	Total
	£	£
Cost or valuation		
At 1 October 2010	125,000	125,000
Additions	150,000	150,000
Disposals	(125,000)	(125,000)
At 30 September 2011	150,000	150,000

Company

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
Cost or valuation			
At 1 October 2010	125,000	31,091	156,091
Additions	150,000	-	150,000
Disposals	(125,000)	-	(125,000)
At 30 September 2011	150,000	31,091	181,091
Provisions for diminution in value			
At 1 October 2010	-	15,000	15,000
Charge for the year	-	15,590	15,590
At 30 September 2011	-	30,590	30,590
Net book value			
At 30 September 2011	150,000	501	150,501
At 30 September 2010	125,000	16,091	141,091

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

12 Fixed asset investments

(Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Jewish Chronicle Newspaper Limited	England and Wales	'A' Shares	100
Boundary Enterprises Limited	England and Wales	Ordinary	100
JC Tech Limited	England and Wales	Ordinary	100
JC Online Limited	England and Wales	Ordinary	100
Jewish Chronicle Pension Trustees Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Jewish Chronicle Newspaper Limited	Newspaper Publisher
Boundary Enterprises Limited	Dormant
JC Tech Limited	Dormant
JC Online Limited	Dormant
Jewish Chronicle Pension Trustees Limited	Dormant

13 Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Work in progress	3,724	930	3,724	930

14 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	928,688	840,110	928,688	840,110
Other debtors	306,016	400,611	306,016	390,860
	1,234,704	1,240,721	1,234,704	1,230,970

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

15 Current asset investments

	Group 2011 £	2010 £	Company 2011 £	2010 £
Short term deposits	4,201,703	4,911,703	4,201,703	4,911,703

16 Creditors amounts falling due within one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade creditors	223,971	137,536	223,971	137,536
Amounts owed to group undertakings	-	-	501	59,275
Taxes and social security costs	204,200	129,598	204,200	129,598
Other creditors	319,207	99,831	319,207	99,831
Accruals and deferred income	163,708	123,787	163,708	123,787
	911,086	490,752	911,587	550,027

17 Deferred tax asset offset against pension liability

Group and company

	£
Balance at 1 October 2010	(1,208,000)
Transfer to profit and loss account	24,000
Transfer to statement of recognised gains and losses	112,000
Balance at 30 September 2011	(1,072,000)

The deferred taxation balance being carried forward represents a deferred taxation asset arising from the pension liability (before the additional provision explained in note 18) multiplied by the UK rate of corporation tax of 20% (2010 21%)

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

18 Pension and other post-retirement benefit commitments

Defined contribution

The company contributes to a defined contribution stakeholder pension scheme, whose assets are held separately from those of the company. The pension cost charge represents contributions payable to the fund, which are charged to the profit and loss account as incurred, and amounted to £50,675 (2010 £45,111).

Defined benefit obligations

The company operates a defined benefit pension scheme, the Jewish Chronicle Limited 1973 Retirement Benefits Scheme. A full valuation was undertaken at 1 October 2010 and updated to 30 September 2011 by an independent qualified actuary.

The amounts recognised in the balance sheet are as follows:

	2011 £	2010 £
Present value of funded obligations	21,271,000	20,023,000
Fair value of plan assets	(14,147,000)	(14,273,000)
	<hr/>	<hr/>
	7,124,000	5,750,000
Related deferred tax asset	(1,072,000)	(1,208,000)
	<hr/>	<hr/>
Net liability	6,052,000	4,542,000
	<hr/>	<hr/>

The amounts recognised in the profit and loss are as follows:

	2011 £	2010 £
Included in operating profit		
Current service cost	103,000	151,000
	<hr/>	<hr/>
	103,000	151,000
	<hr/>	<hr/>
Included in other finance costs		
Interest on obligation	984,000	995,000
Expected return on pension scheme assets	(714,000)	(747,000)
	<hr/>	<hr/>
	270,000	248,000
	<hr/>	<hr/>
Total	373,000	399,000
	<hr/>	<hr/>
Actual return on plan assets	422,000	1,411,000
	<hr/>	<hr/>

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

18 Pension costs

(Continued)

Analysis of amount recognised in the statement of total recognised gains and losses

	£	£
Actual return less expected return on pension scheme assets	(292,000)	664,000
Experience gains and losses arising on scheme liabilities	793,000	(1,424,000)
Additional provision re scheme liabilities (see note below)	(1,760,000)	-
	<u>(1,259,000)</u>	<u>(760,000)</u>

As mentioned in the directors' report, the company is currently in negotiation with the pension scheme Trustees and the Pensions Regulator with the aim of reaching an agreed settlement under which substantially all of the company's assets would be transferred into the pension scheme in exchange for bringing to an end its ongoing obligations to the scheme. The above provision of £1,760,000 has been added to the actuarial assessment of the scheme liabilities, in order to reflect the break-even balance sheet resulting from the likely outcome of this settlement.

The related deferred tax asset is based on net pension liabilities before this additional provision.

The cumulative actuarial loss at the end of the year, taking account of the above adjustment, was £8,551,000 (2010 £7,292,000).

Changes in the present value of the defined benefit obligation are as follows

	2011 £	2010 £
Opening defined benefit obligation	20,023,000	18,560,000
Current service cost	103,000	151,000
Interest cost	984,000	995,000
Contributions by scheme participants	67,000	80,000
Actuarial losses (gains)	(793,000)	1,424,000
Benefits paid	(873,000)	(1,187,000)
	<u>19,511,000</u>	<u>20,023,000</u>
Additional provision re scheme liabilities (see note above)	1,760,000	-
Total	<u>21,271,000</u>	<u>20,023,000</u>

The pension scheme liabilities are secured by fixed and floating charges over the assets of the company.

Changes in fair value of plan assets are as follows

	2011 £	2010 £
Opening fair value of plan assets	14,273,000	13,803,000
Expected return	714,000	747,000
Actuarial losses	(292,000)	664,000
Contributions by employer	258,000	166,000
Contributions from scheme participants	67,000	80,000
Benefits paid	(873,000)	(1,187,000)
	<u>14,147,000</u>	<u>14,273,000</u>

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

18 Pension costs

(Continued)

The major categories of plan assets as a percentage of total plan assets are as follows

	2011 %	2010 %
Equities	28	33
Bonds	70	65
Other assets	2	2

The expected long-term rate of return on the schemes assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and property of 6.25% (2010 6.75%), an expected rate of return on bonds of 4% (2010 4.3%) and an expected rate of return on cash of 0.25% (2010 0.25%)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2011 %	2010 %
Discount rate at 30 September 2011	5.00	5.00
Expected return on plan assets at 30 September 2011	4.60	4.50
Future salary increases	2.50	4.25
Future pension increases	3.20	3.25

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% (2010 1%)

Amounts for the current and previous four periods are as follows

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit obligation	(21,271,000)	(20,023,000)	(21,475,000)	(13,785,000)	(16,848,000)
Plan assets	14,147,000	14,273,000	13,132,000	15,656,000	15,021,000
Surplus/(deficit)	(7,124,000)	(5,750,000)	(8,343,000)	1,871,000	(1,827,000)
Experience adjustments on plan liabilities	793,000	(1,424,000)	(2,915,000)	1,528,000	(549,000)
Experience adjustments on plan assets	(292,000)	664,000	(671,000)	2,520,000	(47,000)

19 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
190,000 Ordinary shares of 1p each	1,900	1,900
190,010 Non-voting Ordinary shares of £1 each	190,010	190,010
	<u>191,910</u>	<u>191,910</u>

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

20 Statement of movements on reserves Group

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2010	62,842	95,990	2,303,917
Loss for the year	-	-	(1,274,246)
Actuarial gains or losses on pension scheme liability	-	-	(1,259,000)
Movement on deferred tax relating to pension liability	-	-	(112,000)
Balance at 30 September 2011	62,842	95,990	(341,329)

Other reserves

Capital redemption reserve

Balance at 1 October 2010 & at 30 September 2011

95,990

Company

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2010	62,842	95,990	2,251,241
Loss for the year	-	-	(1,221,312)
Actuarial gains or losses on pension scheme liability	-	-	(1,259,000)
Movement on deferred tax relating to pension liability	-	-	(112,000)
Balance at 30 September 2011	62,842	95,990	(341,071)

Other reserves

Capital redemption reserve

Balance at 1 October 2010 & at 30 September 2011

95,990

21 Minority interests

	2011	2010
	£	£
Minority interests' share of net assets and liabilities in subsidiary undertakings	260	260

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

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

22	Reconciliation of movements in shareholders' funds	2011	2010		
	Group	£	£		
	Loss for the financial year	(1,274,246)	(65,428)		
	Dividends	-	(50,376)		
	Other recognised gains and losses	(1,259,000)	(802,000)		
	Movement on deferred tax relating to pension liability	(112,000)	(297,000)		
	Net depletion in shareholders' funds	(885,247)	(1,214,804)		
	Opening shareholders' funds	2,654,659	3,869,463		
	Closing shareholders' funds	9,413	2,654,659		
23	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2011	2010		
		£	£		
	Operating loss	(1,056,888)	(327,107)		
	Depreciation of tangible fixed assets	48,486	66,131		
	Profit on disposal of tangible fixed assets	(7,258)	(99)		
	Difference between pension charge and cash contributions	(155,000)	(15,000)		
	(Increase)/decrease in stocks	(2,794)	896		
	Decrease in debtors	6,017	40,493		
	Increase/(decrease) in creditors	420,334	(67,136)		
	Net cash outflow from operating activities	(747,103)	(301,822)		
24	Reconciliation of net cash flow to movement in net funds	2011	2010		
		£	£		
	(Decrease)/increase in cash in the year	(33,692)	66,061		
	Movement in current asset investments regarded as liquid resources	(710,000)	2,486,034		
	Movement in net funds/(debt) in the year	(743,692)	2,552,095		
	Opening net funds	5,011,721	2,459,626		
	Closing net funds	4,268,029	5,011,721		
25	Analysis of net funds	1 October 2010	Cash flow	Other non-cash changes	30 September 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	100,018	(33,692)	-	66,326
	Current asset investments	4,911,703	(710,000)	-	4,201,703
	Net funds	5,011,721	(743,692)	-	4,268,029

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2011*

26 Controlling parties

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 prepares consolidated financial statements that are publically available.