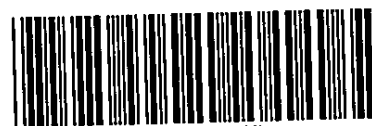


Company Registration No. 95587 (England and Wales)

JEWISH CHRONICLE LIMITED
CONSOLIDATED ACCOUNTS AND
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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COMPANIES HOUSE

JEWISH CHRONICLE LIMITED

COMPANY INFORMATION

Directors

S Grabiner
G A McCarthy
R Burton
R J Harrod
C Hay
S I Pollard

Secretary

G A McCarthy

Company number

95587

Registered office

28 St Albans Lane
London
NW11 7QE

Auditors

HW Fisher & Company
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Bankers

National Westminster Bank PLC
135 Bishopsgate
London
EC2M 3UR

JEWISH CHRONICLE LIMITED

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JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and group financial statements for the year ended 30 September 2013

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"). It also operates its website thejc.com and the JC App - making a full version of the newspaper available to subscribers on a Thursday morning, immediately on publication and ahead of its print distribution.

Overall, in 2013 the company suffered an operating loss of £229,354.

Advertising volume remained negatively impacted by the ongoing economic climate resulting in a 5% downturn year on year. Advertising ratio and yields were similar to the previous year.

Circulation diminished by 11.9% for the January to June 2013 ABCs v January to June 2012 however circulation revenues were up over the year by 6% due to a cover price increase of £0.40 in January 2013.

Significant cost savings were made including restructuring within the Editorial Dept, this resulted in an 9% saving on salaries over the year.

The biggest issue facing the JC both through and post this reporting period has been the pension deficit. 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, following the sale of the company's properties, the majority of the sales proceeds would be transferred into the pension scheme. This would significantly reduce the liability and make the ongoing position much more manageable. The parties are agreed that in such an event the company would retain sufficient working capital to finance its ongoing business. There is regular contact between all parties and we are confident of achieving a settlement in the very near future.

The Company will be investing in its Digital offering in the coming year from both a content and commercial perspective. We believe that there is growth in terms of revenue generation and traffic. It is intended to increase synergy across all publishing platforms.

Market value of land and buildings

Post year end two properties were sold for £8,500,000. In addition, the freehold property included in the accounts at a net book value of £5,820 was sold post year end for £225,600.

Directors

The directors who served during the year were

P J Mann	(Resigned 22 October 2013)
T Abraham	(Resigned 31 January 2014)
D W Finkelstein	(Resigned 22 October 2013)
A R Julius	(Resigned 22 October 2013)
M H Marx	(Resigned 22 October 2013)

The following directors were appointed post year end

Mr S Grabiner	(appointed 22/10/2013)
Mr R Burton	(appointed 31/01/2014)
Mr S I Pollard	(appointed 07/01/2013)
Mr R J Harrod	(appointed 31/01/2014)
Mr C Hay	(appointed 31/01/2014)
Mr G A McCarthy	(appointed 22/10/2013)

JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

HW 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



G A McCarthy

Director

Dated 25th June 2014

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 2013 set out on pages 6 to 24. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 HW Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

Dated

27th June 2014

JEWISH CHRONICLE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2013

		2013	2012
	Notes	£	£
Turnover	2	4,275,563	4,386,243
Cost of sales		(1,803,947)	(1,892,822)
Gross profit		2,471,616	2,493,421
Distribution costs		(774,515)	(731,413)
Administrative expenses		(1,926,455)	(1,819,746)
Operating loss	3	(229,354)	(57,738)
Investment income	6	55,000	55,000
Other interest receivable and similar income	7	15,750	22,158
Other finance costs	8	(479,000)	(321,000)
Loss on ordinary activities before taxation		(637,604)	(301,580)
Tax on loss on ordinary activities	9	130,600	99,000
Loss on ordinary activities after taxation		(507,004)	(202,580)

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

JEWISH CHRONICLE LIMITED

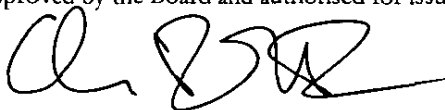
STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013	2012
	£	£
Loss for the financial year	(507,004)	(202,580)
Actuarial gain/ (loss) on pension scheme	(921,000)	501,000
Movement on deferred tax relating to pension liability	251,000	(298,000)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(1,177,004)	420
	<hr/>	<hr/>

JEWISH CHRONICLE LIMITED**BALANCE SHEETS****AS AT 30 SEPTEMBER 2013**

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Intangible assets		1	1	-	-
Tangible assets	11	1,314,234	1,264,150	1,314,234	1,264,150
Investments	12	-	150,000	501	150,501
		<u>1,314,235</u>	<u>1,414,151</u>	<u>1,314,735</u>	<u>1,414,651</u>
Current assets					
Stocks	13	5,092	940	5,092	940
Debtors	14	1,190,567	1,123,425	1,190,567	1,123,425
Investments	15	1,903,704	3,796,703	1,903,704	3,796,703
Cash at bank and in hand		93,943	128,820	93,943	128,820
		<u>3,193,306</u>	<u>5,049,888</u>	<u>3,193,306</u>	<u>5,049,888</u>
Creditors' amounts falling due within one year	16	(656,052)	(560,946)	(619,675)	(561,447)
Net current assets		<u>2,537,254</u>	<u>4,488,942</u>	<u>2,573,631</u>	<u>4,488,441</u>
Total assets less current liabilities		<u>3,851,489</u>	<u>5,903,093</u>	<u>3,888,366</u>	<u>5,903,092</u>
Retirement benefit obligations	18	(5,018,400)	(5,893,000)	(5,018,400)	(5,893,000)
		<u>(1,166,911)</u>	<u>10,093</u>	<u>(1,130,034)</u>	<u>10,092</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	(1,517,913)	(340,909)	(1,480,776)	(340,650)
Shareholders' funds	22	<u>(1,167,171)</u>	<u>9,833</u>	<u>(1,130,034)</u>	<u>10,092</u>
Minority interests	21	260	260	-	-
		<u>(1,166,911)</u>	<u>10,093</u>	<u>(1,130,034)</u>	<u>10,092</u>

Approved by the Board and authorised for issue on 25th June 2014


S I Pollard
Director

JEWISH CHRONICLE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	£	2013 £	£	2012 £
Net cash outflow from operating activities	23		(2,032,964)		(509,071)
Returns on investments and servicing of finance					
Interest received		15,750		22,158	
Rent received		55,000		55,000	
Net cash inflow for returns on investments and servicing of finance			70,750		77,158
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(115,663)		(10,594)	
Receipts from sales of tangible fixed assets		1		100,001	
Receipts from sales of fixed asset investments		150,000		-	
Net cash inflow for capital expenditure			34,338		89,407
Net cash outflow before management of liquid resources and financing			(1,927,876)		(342,506)
Management of liquid resources					
Net cash inflow from management of liquid resources			1,892,999		405,000
(Decrease)/increase in cash in the year	25, 24		(34,877)		62,494

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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.

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

(Continued)

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.

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 loss

	2013	2012
	£	£
Operating loss is stated after charging		
Depreciation of owned tangible assets	63,280	38,382
Restructuring costs	118,225	56,426
Loss on disposal of tangible assets	2,298	-
Fees payable to the group's auditor for the audit of the group's annual accounts (company £20,000, 2012 £20,000)	20,000	20,000
and after crediting		
Profit on disposal of tangible assets	-	75,638

4 Directors' emoluments

	2013	2012
	£	£
Emoluments for qualifying services	242,710	281,303

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2012- 1).

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

Emoluments for qualifying services	217,542	236,303
Company pension contributions to money purchase schemes	40,000	40,000

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

5 Employees

Number of employees

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

	2013 Number	2012 Number
Newspaper staff	48	52

Employment costs

	2013 £	2012 £
Wages and salaries	1,871,121	2,067,813
Social security costs	211,773	216,535
Other pension costs	132,218	172,987
	2,215,112	2,457,335

6 Investment income

	2013 £	2012 £
Rent receivable	55,000	55,000

7 Other interest receivable and similar income

	2013 £	2012 £
Other interest	15,750	22,158
	15,750	22,158

8 Other finance costs

	2013 £	2011 £
Interest on pension scheme liabilities	851,000	954,000
Expected return on pension scheme assets	(372,000)	(633,000)
	479,000	321,000

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

9	Taxation	2013 £	2012 £
	Current tax charge	-	-
	Deferred tax		
	Deferred tax credit	(130,600)	(99,000)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(637,604)	(301,580)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.50% (2012 - 20.00%)	(149,837)	(60,316)
	Effects of		
	Non deductible expenses	10,913	35,938
	Capital allowances in advance of depreciation	(14,298)	(15,421)
	Losses carried back and forward	195,550	36,758
	Chargeable gains	-	11,264
	Adjustments to previous periods	-	(31,148)
	Pension costs in excess of charge	193,429	-
	STRGL or otherwise transferred	(235,348)	-
	Short term timing differences	(21,685)	31,777
	Adjustment to losses	21,276	(8,852)
		149,837	60,316
	Current tax charge	-	-

Corporation Tax losses of approximately £2,477,000 (2012 £1,270,000) were being carried forward at 30 September 2013 and the related deferred tax asset has not been recognised in the financial statements as there is insufficient certainty of recovery

10 Loss 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 for the financial year is made up as follows

	2013 £	2012 £
Holding company's loss for the financial year	(470,126)	(202,579)

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

11 Tangible fixed assets

Group and company

	Freehold investment properties	Freehold properties	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 October 2012	1,208,000	150,543	888,851	2,247,394
Additions	-	-	115,663	115,663
Disposals	-	-	(441,980)	(441,980)
At 30 September 2013	1,208,000	150,543	562,534	1,921,077
Depreciation				
At 1 October 2012	-	141,724	841,520	983,244
On disposals	-	-	(439,681)	(439,681)
Charge for the year	-	2,999	60,281	63,280
At 30 September 2013	-	144,723	462,120	606,843
Net book value				
At 30 September 2013	1,208,000	5,820	100,414	1,314,234
At 30 September 2012	1,208,000	8,819	47,331	1,264,150

There are two properties within investment properties. One was valued by BNP Paribas Real Estate in December 2012 by comparison to similar properties on the market. The other property was valued by the directors in November 2012 based on a recommended value on which the property could be marketed. On 13 January 2014 both properties were sold for £8,500,000.

There is also one property in Freehold property, which is included at cost. This property was sold post year end for £225,600.

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

12 Fixed asset investments

Group

	Unlisted investments	Total
	£	£
Cost or valuation		
At 1 October 2012	150,000	150,000
Disposals	(150,000)	(150,000)
At 30 September 2013	-	-

Company

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
Cost or valuation			
At 1 October 2012	150,000	31,091	181,091
Disposals	(150,000)	-	(150,000)
At 30 September 2013	-	31,091	31,091
Provisions for diminution in value			
At 1 October 2012 & at 30 September 2013	-	30,590	30,590
Net book value			
At 30 September 2013	-	501	501
At 30 September 2012	150,000	501	150,501

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 2013

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	Class	Shares held
Subsidiary undertakings			
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
Boundary Enterprises Limited	Dormant
JC Tech Limited	Dormant
JC Online Limited	Dormant
Jewish Chronicle Pension Trustees Limited	Dormant

13 Stocks

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Work in progress	5,092	940	5,092	940

14 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	881,505	883,387	881,505	883,387
Other debtors	309,062	240,038	309,062	240,038
	1,190,567	1,123,425	1,190,567	1,123,425

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

15 Current asset investments

	Group 2013 £	2012 £	Company 2013 £	2012 £
Short term deposits	1,903,704	3,796,703	1,903,704	3,796,703

16 Creditors amounts falling due within one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Trade creditors	213,875	130,278	213,875	130,278
Amounts owed to group undertakings	-	-	501	501
Taxes and social security costs	94,948	143,470	94,948	143,470
Other creditors	212,778	118,838	175,900	118,838
Accruals and deferred income	134,451	168,360	134,451	168,360
	656,052	560,946	619,675	561,447

17 Deferred tax asset offset against pension liability Group and company

	£
Balance at 1 October 2012	(873,000)
Transfer to profit and loss account	(130,600)
Transfer to statement of recognised gains and losses	(251,000)
Balance at 30 September 2013	(1,254,600)

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% (2012 20%)

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

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 £53,153 (2012 £60,689)

Defined benefit obligations

The company operates a defined benefit pension scheme, the Jewish Chronicle Limited 1973 Retirement Benefits Scheme. A full valuation was undertaken by an independent qualified actuary at 1 October 2010 and the next valuation was undertaken at 1 October 2013.

The amounts recognised in the balance sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	21,992,000	21,975,000
Fair value of plan assets	(15,719,000)	(15,209,000)
	<hr/>	<hr/>
	6,273,000	6,766,000
Related deferred tax asset	(1,254,600)	(873,000)
	<hr/>	<hr/>
Net liability	5,018,400	5,893,000
	<hr/>	<hr/>

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

	2013 £	2012 £
Included in operating loss		
Current service cost	-	59,000
	<hr/>	<hr/>
	-	59,000
	<hr/>	<hr/>
Included in other finance costs		
Interest on obligation	851,000	954,000
Expected return on pension scheme assets	(372,000)	(633,000)
	<hr/>	<hr/>
	479,000	321,000
	<hr/>	<hr/>
Total	479,000	380,000
	<hr/>	<hr/>
Actual return on plan assets	(44,000)	1,724,000
	<hr/>	<hr/>

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

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	(416,000)	1,091,000
Experience gains and losses arising on scheme liabilities	(2,905,000)	50,000
Additional provision re scheme liabilities (see note below)	2,400,000	(2,400,000)
	<u>(921,000)</u>	<u>(1,259,000)</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, following the sale of the companies properties, the majority of the sales proceeds would be transferred into the pension scheme. This would significantly reduce the liability and make the ongoing position much more manageable.

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 reported in the FRS17 valuation was £8,971,000 (2012 £8,050,000).

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

	2013 £	2012 £
Opening defined benefit obligation	19,575,000	19,511,000
Current service cost	-	59,000
Interest cost	851,000	954,000
Contributions by scheme participants	-	58,000
Actuarial losses (gains)	2,905,000	(50,000)
Benefits paid	(1,339,000)	(957,000)
	<u>21,992,000</u>	<u>19,575,000</u>
Additional provision re scheme liabilities (see note above)	-	2,400,000
Total	<u>21,992,000</u>	<u>21,975,000</u>

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

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

18 Pension costs

(Continued)

Changes in fair value of plan assets are as follows:

	2013 £	2012 £
Opening fair value of plan assets	15,209,000	14,147,000
Expected return	372,000	633,000
Actuarial losses	(416,000)	1,091,000
Contributions by employer	1,893,000	237,000
Contributions from scheme participants	-	58,000
Benefits paid	(1,339,000)	(957,000)
	<u>15,719,000</u>	<u>15,209,000</u>

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

	2013 %	2012 %
Bonds	69	72
Other assets	<u>31</u>	<u>28</u>

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 bonds of 3.65% (2012 3.20%) and an expected rate of return on cash of 0.25% (2012 0.25%)

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

	2013 %	2012 %
Discount rate at 30 September 2013	4.30	4.50
Expected return on plan assets at 30 September 2013	2.60	2.40
Future pension increases	3.40	2.70

The underlying mortality assumption is based upon the standard table known as SAPS Light with CMI 2012 improvements and a long-term rate of improvement of 1.25% (2012 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%)

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

18 Pension costs

(Continued)

Amounts for the current and previous four periods are as follows

	2013	2012	2011	2010	2009
	£	£	£	£	£
Defined benefit obligation	(21,992,000)	(21,975,000)	(21,271,000)	(20,023,000)	(21,475,000)
Plan assets	15,719,000	15,209,000	14,147,000	14,273,000	13,132,000
Surplus/(deficit)	(6,273,000)	(6,766,000)	(7,124,000)	(5,750,000)	(8,343,000)
Experience adjustments on plan liabilities	(2,905,000)	50,000	793,000	(1,424,000)	(2,915,000)
Experience adjustments on plan assets	(416,000)	1,091,000	(292,000)	664,000	(671,000)

19 Share capital

2013

2012

£

£

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

191,910

191,910

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

20 Statement of movements on reserves Group

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2012	62,842	95,990	(340,909)
Loss for the year	-	-	(507,004)
Actuarial gains or losses on pension scheme assets	-	-	(921,000)
Movement on deferred tax relating to pension asset	-	-	251,000
Balance at 30 September 2013	62,842	95,990	(1,517,913)

Other reserves

Capital redemption reserve

Balance at 1 October 2012 & at 30 September 2013

95,990

Company

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2012	62,842	95,990	(340,650)
Loss for the year	-	-	(470,126)
Actuarial gains or losses on pension scheme liability	-	-	(921,000)
Movement on deferred tax relating to pension liability	-	-	251,000
Balance at 30 September 2013	62,842	95,990	(1,480,776)

Other reserves

Capital redemption reserve

Balance at 1 October 2012 & at 30 September 2013

95,990

21 Minority interests

	2013 £	2012 £
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 2013

22	Reconciliation of movements in shareholders' funds	2013	2012
	Group	£	£
	Loss for the financial year	(507,004)	(202,580)
	Other recognised gains and losses	(921,000)	501,000
	Movement on deferred tax relating to pension asset	251,000	(298,000)
	Net (depletion in)/addition to shareholders' funds	(1,177,004)	420
	Opening shareholders' funds	9,833	9,413
	Closing shareholders' funds	(1,167,171)	9,833
23	Reconciliation of operating loss to net cash outflow from operating activities	2013	2012
		£	£
	Operating loss	(229,354)	(57,738)
	Depreciation of tangible fixed assets	63,280	38,382
	Loss/(profit) on disposal of tangible fixed assets	2,298	(75,638)
	Difference between pension charge and cash contributions	(1,893,000)	(178,000)
	(Increase)/decrease in stocks	(4,152)	2,784
	(Increase)/decrease in debtors	(67,142)	111,279
	Increase/(decrease) in creditors	95,106	(350,140)
	Net cash outflow from operating activities	(2,032,964)	(509,071)
24	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	(Decrease)/increase in cash in the year	(34,877)	62,494
	Movement in current asset investments regarded as liquid resources	(1,892,999)	(405,000)
	Movement in net debt in the year	(1,927,876)	(342,506)
	Opening net (debt)/funds	3,925,523	4,268,029
	Closing net debt	1,997,647	3,925,523

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

25	Analysis of net funds	1 October 2012	Cash flow	Other non-cash changes	30 September 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	128,820	(34,877)	-	93,943
	Current asset investments	3,796,703	(1,892,999)	-	1,903,704
	Net funds	3,925,523	(1,927,876)	-	1,997,647

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

27 Post Balance Sheet Events

Investment properties in the accounts at a net book of £1,208,000 were sold on 13 January 2014 for £8,500,000. In addition, the freehold property included in the accounts at a net book value of £5,820 was sold post year end for £225,600.