

Company Registration No. 00095587 (England and Wales)

JEWISH CHRONICLE LIMITED
CONSOLIDATED ACCOUNTS AND
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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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	00095587
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 2014

The directors present their report and group financial statements for the year ended 30 September 2014.

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 ("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 2014 the group suffered an operating loss of £168k. This compares to a loss in the previous year of £229k. Advertising volume remained negatively impacted by the ongoing economic climate together with a shift in advertising behaviour resulting in a 5% downturn year on year. Advertising ratio and yields were similar to the previous year.

Circulation diminished by 7.3% for the January to June 2014 ABC v January to June 2013 This represents a slowdown in the decline from previous years (11.9%) and is largely a result of successfully converting casual sales to subscriptions via aggressive campaigns.

Tracy Abraham left the Company in January 2014. The Board would like to thank her for her valued contribution and to wish her well in future endeavours. At present there are no plans to change the current structure.

The biggest issue facing the JC through this reporting period has been the pension deficit. The directors are happy to report that the properties were sold for an amount in excess of £8m and £4m of this has been paid to the pension scheme with a further £3.5m being paid post year end. This has resulted in an Actuarial calculation that eliminates the pension deficit by 2020 without the need for further contributions from the Company. However, the assumptions that form the basis of this calculation may change over time.

The Company has begun, post year end, investing in its content and commercial offering on its Digital platform. We would not expect to see the first results of this until sometime after the start of the 2015 financial year.

It is the Directors' intention to change the accounting year end from 30th September to 30th June in order to better respond to the trading position. This will be effective from the year beginning 1st October 2015 and will result in a 9 month accounting period for 2015/16.

Directors

The directors who served during the year were:

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

JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

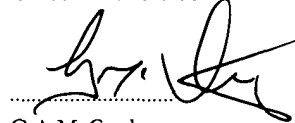
Disclosure of information to auditors

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: 26th MARCH 2015

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 2014 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 2014 and of the group's profit 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 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: 27 March 2015

JEWISH CHRONICLE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	4,042,102	4,275,563
Cost of sales		(1,822,274)	(1,803,947)
Gross profit		2,219,828	2,471,616
Distribution costs		(849,430)	(774,515)
Administrative expenses		(1,538,360)	(1,926,455)
Operating loss	3	(167,962)	(229,354)
Profit on disposal of tangible fixed asset		7,477,196	-
Profit/(loss) on ordinary activities before interest		7,309,234	(229,354)
Investment income	6	16,877	55,000
Other interest receivable and similar income	7	45,011	15,750
Other finance costs	8	(479,000)	(479,000)
Profit/(loss) on ordinary activities before taxation		6,892,122	(637,604)
Tax on profit/(loss) on ordinary activities	9	(76,454)	130,600
Profit/(loss) on ordinary activities after taxation		6,815,668	(507,004)

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

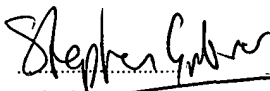
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014	2013
	£	£
Profit/(loss) for the financial year	6,815,668	(507,004)
Actuarial loss on pension scheme	(1,690,000)	(921,000)
Movement on deferred tax relating to pension liability	(269,746)	251,000
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>4,855,922</u>	<u>(1,177,004)</u>

JEWISH CHRONICLE LIMITED**BALANCE SHEETS****AS AT 30 SEPTEMBER 2014**

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Intangible assets		1	1	-	-
Tangible assets	11	112,228	1,314,234	112,228	1,314,234
Investments	12	-	-	501	501
		<u>112,229</u>	<u>1,314,235</u>	<u>112,729</u>	<u>1,314,735</u>
Current assets					
Stocks	13	3,961	5,092	3,961	5,092
Debtors	14	1,071,324	1,190,567	1,071,324	1,190,567
Investments	15	6,567,828	1,903,704	6,567,828	1,903,704
Cash at bank and in hand		270,811	93,943	270,811	93,943
		<u>7,913,924</u>	<u>3,193,306</u>	<u>7,913,924</u>	<u>3,193,306</u>
Creditors: amounts falling due within one year	16	<u>(703,542)</u>	<u>(656,052)</u>	<u>(704,043)</u>	<u>(619,675)</u>
Net current assets		<u>7,210,382</u>	<u>2,537,254</u>	<u>7,209,881</u>	<u>2,573,631</u>
Total assets less current liabilities		<u>7,322,611</u>	<u>3,851,489</u>	<u>7,322,610</u>	<u>3,888,366</u>
Retirement benefit obligations	18	<u>(3,633,600)</u>	<u>(5,018,400)</u>	<u>(3,633,600)</u>	<u>(5,018,400)</u>
		<u>3,689,011</u>	<u>(1,166,911)</u>	<u>3,689,010</u>	<u>(1,130,034)</u>
Capital and reserves					
Called up share capital	19	191,910	191,910	191,910	191,910
Revaluation reserve	20	-	62,842	-	62,842
Other reserves	20	95,990	95,990	95,990	95,990
Profit and loss account	20	3,400,851	(1,517,913)	3,401,110	(1,480,776)
Shareholders' funds	22	<u>3,688,751</u>	<u>(1,167,171)</u>	<u>3,689,010</u>	<u>(1,130,034)</u>
Minority interests	21	<u>260</u>	<u>260</u>	<u>-</u>	<u>-</u>
		<u>3,689,011</u>	<u>(1,166,911)</u>	<u>3,689,010</u>	<u>(1,130,034)</u>

Approved by the Board and authorised for issue on 27/03/2015


S. Grabner
Director

JEWISH CHRONICLE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	£	2014 £	£	2013 £
Net cash outflow from operating activities	23		(3,843,169)		(2,032,964)
Returns on investments and servicing of finance					
Interest received		45,011		15,750	
Rent received		16,877		55,000	
Net cash inflow for returns on investments and servicing of finance			61,888		70,750
 Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(68,743)		(115,663)	
Receipts from sales of tangible fixed assets		8,691,016		1	
Receipts from sales of fixed asset investments		-		150,000	
Net cash inflow for capital expenditure			8,622,273		34,338
Net cash inflow/(outflow) before management of liquid resources and financing			4,840,992		(1,927,876)
Net cash outflow from management of liquid resources			(4,664,124)		1,892,999
Increase/(decrease) in cash in the year	25, 24		176,868		(34,877)

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

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 less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost 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

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

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 2014

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 profit/(loss)	2014	2013
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of owned tangible assets	56,929	63,280
Loss on disposal of tangible assets	-	2,298
Restructuring costs	-	118,255
Fees payable to the group's auditor for the audit of the group's annual accounts (company £23,000; 2013: £20,000)	23,000	20,000

4 Directors' emoluments	2014	2013
	£	£
Emoluments for qualifying services	539,773	242,710

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2013: 1).

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

Emoluments for qualifying services	181,125	217,542
Company pension contributions to money purchase schemes	5,908	40,000

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

5 Employees

Number of employees

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

	2014 Number	2013 Number
Management and office	8	9
Editorial	20	23
Selling and distribution	17	16
	<u>45</u>	<u>48</u>

Employment costs

	2014 £	2013 £
Wages and salaries	1,697,619	1,871,121
Social security costs	178,342	211,773
Other pension costs	116,112	132,218
	<u>1,992,073</u>	<u>2,215,112</u>

6 Investment income

	2014 £	2013 £
Rent receivable	<u>16,877</u>	<u>55,000</u>

7 Other interest receivable and similar income

	2014 £	2013 £
Other interest	<u>45,011</u>	<u>15,750</u>
	<u>45,011</u>	<u>15,750</u>

8 Other finance costs

	2014 £	2013 £
Interest on pension scheme liabilities	927,000	851,000
Expected return on pension scheme assets	(448,000)	(372,000)
	<u>479,000</u>	<u>479,000</u>

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

9	Taxation	2014 £	2013 £
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/(credit)	76,454	(130,600)
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	6,892,122	(637,604)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.00% (2013 - 23.50%)	1,516,267	(149,837)
	Effects of:		
	Non deductible expenses	4,371	10,913
	Permanent differences	77	-
	Capital allowances in advance of depreciation	(1,636,945)	(14,298)
	Losses carried back and forward	43,853	195,550
	Chargeable gains	931,064	-
	Pension costs in excess of charge	(500,460)	193,429
	STRGL or otherwise transferred	(360,222)	(235,348)
	Short term timing differences	1,995	(21,685)
	Adjustment to losses	-	21,276
		(1,516,267)	149,837
	Current tax charge	-	-

The company has estimated trading losses of £ 2,501,311 (2013 - £ 2,301,955) available for carry forward against future trading profits. The related deferred tax asset has not been recognised in the financial statements as there is insufficient certainty of recovery.

10 Profit/(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 profit/(loss) for the financial year is made up as follows:

	2014 £	2013 £
Holding company's profit/(loss) for the financial year	6,778,790	(470,126)

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

11 Tangible fixed assets

Group and Company

	Freehold investment properties	Freehold properties	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 October 2013	1,208,000	150,543	562,534	1,921,077
Additions	-	-	68,743	68,743
Disposals	(1,208,000)	(150,543)	(46,172)	(1,404,715)
At 30 September 2014	-	-	585,105	585,105
Depreciation				
At 1 October 2013	-	144,723	462,120	606,843
On disposals	-	(144,723)	(46,172)	(190,895)
Charge for the year	-	-	56,929	56,929
At 30 September 2014	-	-	472,877	472,877
Net book value				
At 30 September 2014	-	-	112,228	112,228
At 30 September 2013	1,208,000	5,820	100,414	1,314,234

On 13th January 2014 the two properties contained within investment properties were sold for £8,500,000.

Other assets were sold for £345,600.

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

12 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 October 2013 & at 30 September 2014	501
Net book value	
At 30 September 2014	501
At 30 September 2013	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 2014

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
Jewish Chronicle Newspaper 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
Jewish Chronicle Newspaper Limited	Publication of Jewish Chronicle newspaper

*Indirect holding in subsidiary company.

13 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Work in progress	3,961	5,092	3,961	5,092

14 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	798,276	881,505	798,276	881,505
Other debtors	273,048	309,062	273,048	309,062
	1,071,324	1,190,567	1,071,324	1,190,567

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

15 Current asset investments

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Short term deposits	6,567,828	1,903,704	6,567,828	1,903,704

Of the short term deposits above, £4,709,125 is within an Escrow account, for the benefit of the pension scheme. A further £3.5m was transferred to the pension scheme in October 2014.

16 Creditors : amounts falling due within one year

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Trade creditors	275,879	213,875	275,879	213,875
Amounts owed to group undertakings	-	-	501	501
Taxes and social security costs	83,389	94,948	83,389	94,948
Other creditors	70,007	212,778	70,007	175,900
Accruals and deferred income	274,267	134,451	274,267	134,451
	703,542	656,052	704,043	619,675

17 Deferred tax asset offset against pension liability Group and company

	£
Balance at 1 October 2013	(1,254,600)
Transfer to profit and loss account	76,454
Transfer to statement of recognised gains and losses	269,746
Balance at 30 September 2014	(908,400)

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% (2013: 20%).

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 £104,006 (2013: £53,153).

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 2012 and the next valuation is due to be undertaken as at 1 October 2015.

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	24,164,000	21,992,000
Fair value of plan assets	(19,622,000)	(15,719,000)
	<u>4,542,000</u>	<u>6,273,000</u>
Related deferred tax asset	(908,400)	(1,254,600)
	<u>3,633,600</u>	<u>5,018,400</u>
Net liability		

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

	2014 £	2013 £
Included in other finance costs		
Interest on obligation	927,000	851,000
Expected return on pension scheme assets	(448,000)	(372,000)
	<u>479,000</u>	<u>479,000</u>
Actual return on plan assets	856,000	(44,000)

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

	£	£
Actual return less expected return on pension scheme assets	408,000	(416,000)
Experience gains and losses arising on scheme liabilities	(2,098,000)	(2,905,000)
Release of additional provision re scheme liabilities	-	2,400,000
	<u>(1,690,000)</u>	<u>(921,000)</u>

The cumulative actuarial loss at the end of the year reported in the FRS17 valuation was £10,661,000 (2013: £8,971,000).

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

18 Pension costs

(Continued)

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

	2014	2013
	£	£
Opening defined benefit obligation	21,992,000	19,575,000
Interest cost	927,000	851,000
Actuarial losses (gains)	2,098,000	2,905,000
Benefits paid	(853,000)	(1,339,000)
	<u>24,164,000</u>	<u>21,992,000</u>
Total	<u>24,164,000</u>	<u>21,992,000</u>

The pension scheme liabilities are secured by a floating charge over the cash deposits of the company.

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

18 Pension costs

(Continued)

Changes in fair value of plan assets are as follows:

	2014	2013
	£	£
Opening fair value of plan assets	15,719,000	15,209,000
Expected return	448,000	372,000
Actuarial gains	408,000	(416,000)
Contributions by employer	3,900,000	1,893,000
Benefits paid	(853,000)	(1,339,000)
	<u>19,622,000</u>	<u>15,719,000</u>

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

	2014	2013
	%	%
Bonds	60	69
Other assets	<u>40</u>	<u>31</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 3.8% (2013: 3.65%) and an expected rate of return on cash of 0.25% (2013: 0.25%).

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

	2014	2013
	%	%
Discount rate at 30 September 2014	3.80	4.30
Expected return on plan assets at 30 September 2014	1.60	2.60
Future pension increases	3.30	3.40

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% (2013: 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 2014

18 Pension costs

(Continued)

Amounts for the current and previous four periods are as follows:

	2014	2013	2012	2011	2010
	£	£	£	£	£
Defined benefit obligation	(24,164,000)	(21,992,000)	(21,975,000)	(21,271,000)	(20,023,000)
Plan assets	19,622,000	15,719,000	15,209,000	14,147,000	14,273,000
Surplus/(deficit)	(4,542,000)	(6,273,000)	(6,766,000)	(7,124,000)	(5,750,000)
Experience adjustments on plan liabilities	(2,098,000)	(2,905,000)	50,000	793,000	(1,424,000)
Experience adjustments on plan assets	408,000	(416,000)	1,091,000	(292,000)	664,000

19 Share capital

2014
£

2013
£

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 2014

20 Statement of movements on reserves Group

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2013	62,842	95,990	(1,517,913)
Profit for the year	-	-	6,815,668
Transfer from revaluation reserve to profit and loss account	(62,842)	-	62,842
Actuarial gains or losses on pension scheme assets	-	-	(1,690,000)
Movement on deferred tax relating to pension asset	-	-	(269,746)
Balance at 30 September 2014	-	95,990	3,400,851

Other reserves

Capital redemption reserve

Balance at 1 October 2013 & at 30 September 2014

95,990

Company

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 October 2013	62,842	95,990	(1,480,776)
Profit for the year	-	-	6,778,790
Transfer from revaluation reserve to profit and loss account	(62,842)	-	62,842
Actuarial gains or losses on pension scheme liability	-	-	(1,690,000)
Movement on deferred tax relating to pension liability	-	-	(269,746)
Balance at 30 September 2014	-	95,990	3,401,110

Other reserves

Capital redemption reserve

Balance at 1 October 2013 & at 30 September 2014

95,990

21 Minority interests

	2014	2013
	£	£
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 2014

22	Reconciliation of movements in shareholders' funds	2014	2013
	Group	£	£
	Profit/(Loss) for the financial year	6,815,668	(507,004)
	Other recognised gains and losses	(1,690,000)	(921,000)
	Movement on deferred tax relating to pension asset	(269,746)	251,000
	Net addition to/(depletion in) shareholders' funds	4,855,922	(1,177,004)
	Opening shareholders' funds	(1,167,171)	9,833
	Closing shareholders' funds	3,688,751	(1,167,171)
23	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2014	2013
		£	£
	Operating loss	(167,962)	(229,354)
	Depreciation of tangible fixed assets	56,929	63,280
	Loss on disposal of tangible fixed assets	-	2,298
	Difference between pension charge and cash contributions	(3,900,000)	(1,893,000)
	Decrease/(increase) in stocks	1,131	(4,152)
	Decrease/(increase) in debtors	119,243	(67,142)
	Increase in creditors	47,490	95,106
	Net cash outflow from operating activities	(3,843,169)	(2,032,964)
24	Reconciliation of net cash flow to movement in net funds	2014	2013
		£	£
	Increase/(decrease) in cash in the year	176,868	(34,877)
	Movements in liquid resources	4,664,124	(1,892,999)
	Movement in net debt in the year	4,840,992	(1,927,876)
	Opening net funds	1,997,647	3,925,523
	Closing net funds	6,838,639	1,997,647

JEWISH CHRONICLE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

25	Analysis of net funds	1 October 2013	Cash flow	Other non-cash changes	30 September 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	93,943	176,868	-	270,811
	Current asset investments	1,903,704	4,664,124	-	6,567,828
	Net funds	1,997,647	4,840,992	-	6,838,639

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 Related party transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

At the year end, director S Pollard owed £16,042 (2013: £nil) to Jewish Chronicle Limited.

28 Post Balance Sheet Events

As noted above in note 15, the company transferred a further £3.5m from the Escrow account to the pension scheme in October 2014.