

**JEWISH CHRONICLE LIMITED
DIRECTORS' REPORT AND GROUP
FINANCIAL STATEMENTS
30 SEPTEMBER 2003**



Horwath Clark Whitehill

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JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 30 SEPTEMBER 2003

The directors submit their report and the financial statements for the year ended 30 September 2003.

RESULTS AND BUSINESS REVIEW

The results of the group for the year ended 30 September 2003 are shown in the profit and loss account on page 4.

The directors have continued to manage the business of the group in the light of prevailing trading conditions. The position at 30 September 2003 is reflected in the group's accounts for the year. The directors intend to continue the development of the business.

The directors propose to pay an interim dividend of 37% amounting to £71,006 in December 2003. No final dividend is proposed.

PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiaries during the year was the publication of the Jewish Chronicle newspaper.

FIXED ASSETS

In the opinion of the directors, the market value in aggregate of the company's properties was substantially higher than the book value at the end of the year.

CHARITABLE DONATIONS

During the year donations were made to UK charitable organisations totalling £7,875 (2002: £11,403).

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Mr P M Oppenheimer	(Chairman)
Mr R A Fass	(Managing Director)
Mr S D Cohen	(resigned 9 September 2003)
Mr L L Gordon	
Mr J M Greenwood	
Mr P L Levy O.B.E.	
Mr A Rubenstein	(appointed 1 September 2003)
Mr E J Temko	

None of the directors or their families had a beneficial interest in the share capital of the company during the year.

Mr L L Gordon and Mr P L Levy O.B.E. will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mr A Rubenstein having been appointed as a director during the year offers himself for re-appointment in accordance with the Articles of Association.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2003

STAFF

The board would like to express its thanks to all members of staff for their continued contribution to the group's performance.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group at the end of the year and of the profit or loss of the group for that period. In preparing those financial statements the directors should:

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

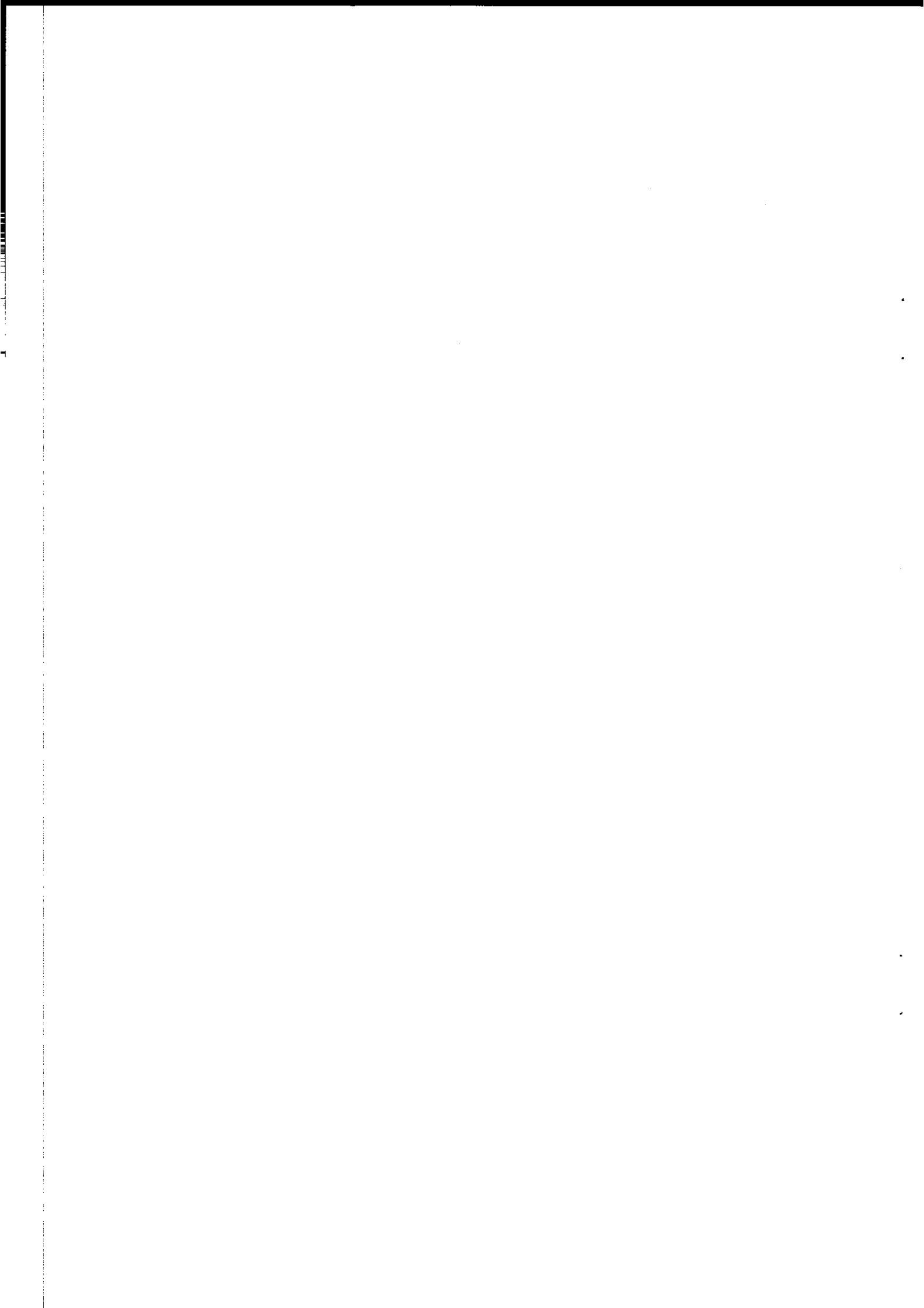
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

AUDITORS

A resolution proposing the re-appointment of Horwath Clark Whitehill as auditors of the company will be put to the members at the Annual General Meeting.

By Order of the Board

Secretary 



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
JEWISH CHRONICLE LIMITED**

We have audited the financial statements of Jewish Chronicle Limited for the year ended 30 September 2003 set out on pages 4 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of the group and company's affairs as at 30 September 2003 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

27 November 2003

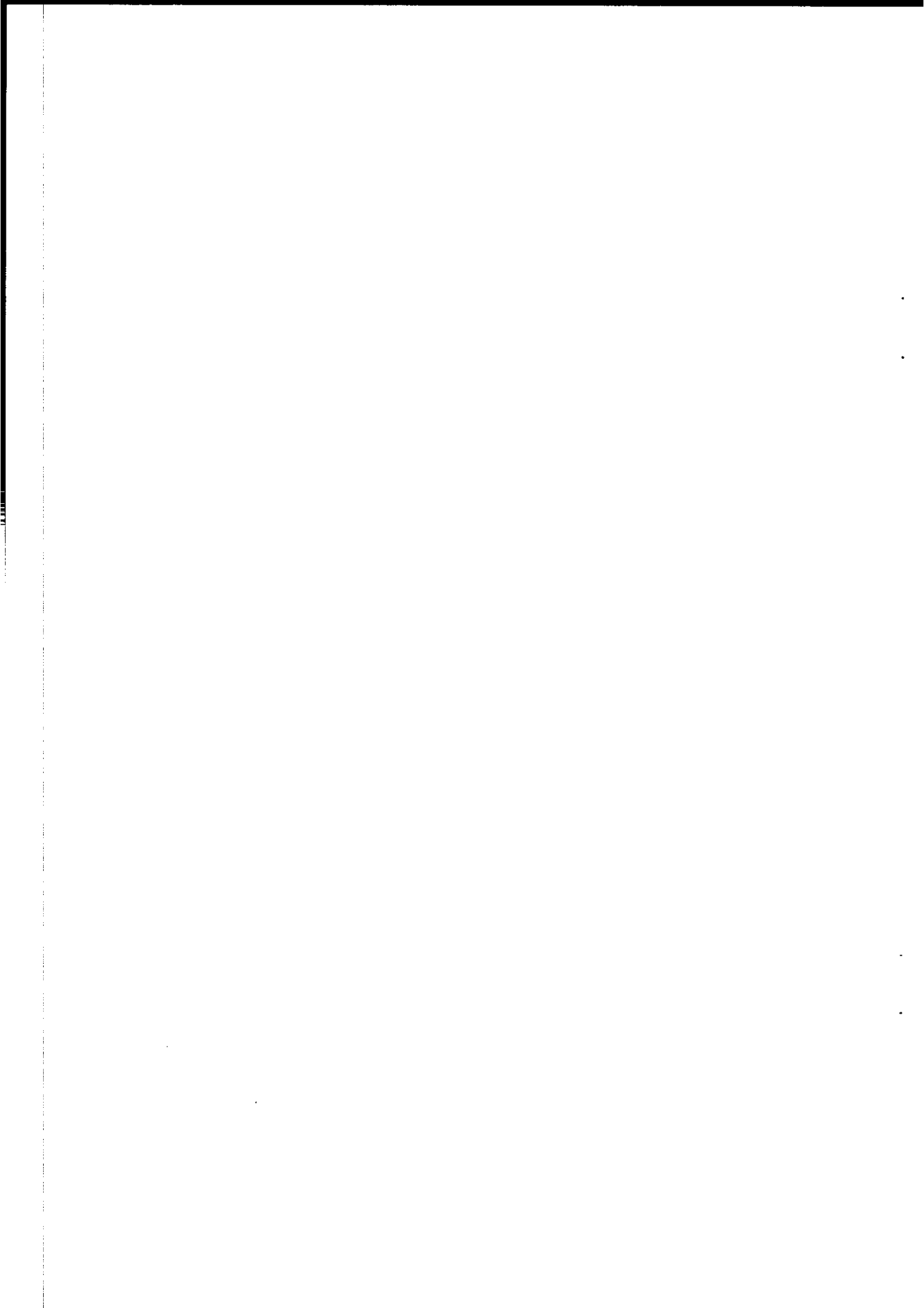

Chartered Accountants and
Registered Auditors

JEWISH CHRONICLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
TURNOVER	3	5,074,169	4,949,083
Cost of sales		<u>(1,941,530)</u>	<u>(1,907,863)</u>
GROSS PROFIT		3,132,639	3,041,220
Distribution and selling costs		(735,045)	(812,910)
Administrative expenses		<u>(2,079,157)</u>	<u>(1,914,864)</u>
OPERATING PROFIT	4	318,437	313,446
Other income	5	<u>42,459</u>	<u>59,916</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		360,896	373,362
Tax on profit on ordinary activities	6	<u>(119,761)</u>	<u>(80,360)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		241,135	293,002
Dividend		<u>(71,006)</u>	<u>(71,006)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>170,129</u>	<u>221,996</u>

The profit and loss account contains all the gains and losses recognised in the year and in the previous year and the retained profit for the year is the only movement in shareholders' funds during those years.

The notes on pages 8 to 16 form an integral part of these financial statements.

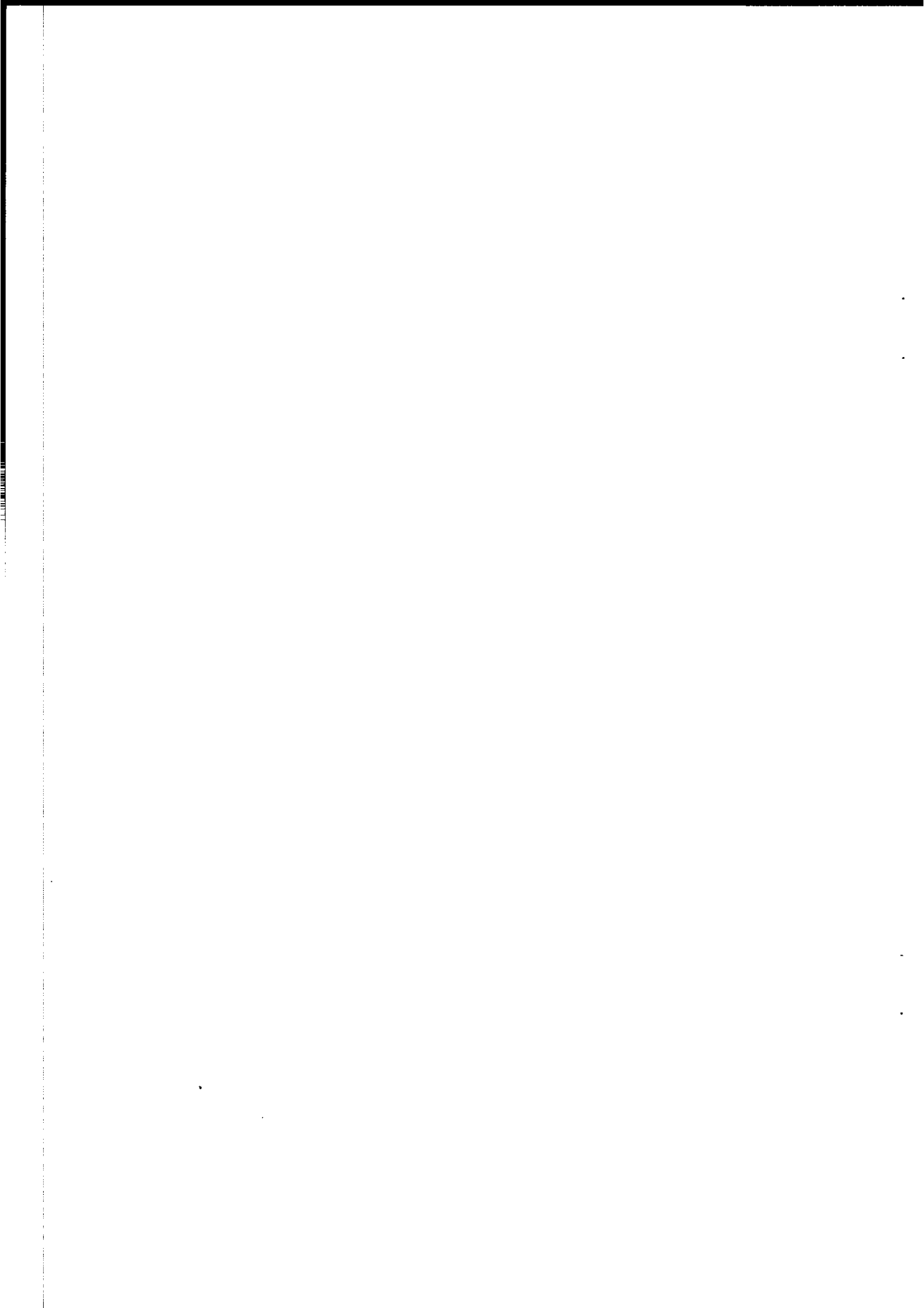


JEWISH CHRONICLE LIMITED
CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2003

	Notes	£	2003 £	2002 £
FIXED ASSETS				
Tangible assets	9		290,085	286,017
Investments	10		3,909,174	3,688,808
Copyrights and goodwill			1	1
			<u>4,199,260</u>	<u>3,974,826</u>
CURRENT ASSETS				
Stocks		642		1,576
Debtors	12	1,507,812		1,409,560
Short term deposits		1,555,474		1,712,817
Cash at bank and in hand		16,152		21,310
			<u>3,080,080</u>	<u>3,145,263</u>
CREDITORS: amounts falling due within one year				
Trade creditors		138,314		144,519
Corporation tax		112,009		107,685
Other taxes and social security costs	13	183,693		172,398
Proposed dividend		71,006		71,006
Other creditors		309,578		333,372
Accruals and deferred income	14	97,698		124,748
			<u>912,298</u>	<u>953,728</u>
NET CURRENT ASSETS			<u>2,167,782</u>	<u>2,191,535</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,367,042</u>	<u>6,166,361</u>
PROVISIONS FOR LIABILITIES AND CHARGES	7		<u>(102,889)</u>	<u>(72,337)</u>
NET ASSETS			<u>6,264,153</u>	<u>6,094,024</u>
CAPITAL AND RESERVES				
Called up share capital	15		191,910	191,910
Capital redemption reserve			95,990	95,990
General reserve			5,975,993	5,805,864
SHAREHOLDERS' FUNDS			<u>6,263,893</u>	<u>6,093,764</u>
Minority interest	16		260	260
			<u>6,264,153</u>	<u>6,094,024</u>

Approved by the Board on 27 November 2003
and signed on its behalf by:

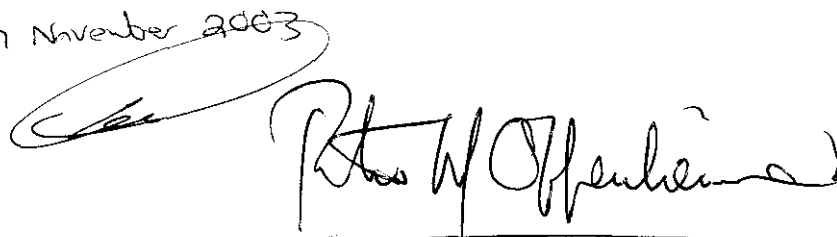
The notes on pages 8 to 16 form an integral part of these financial statements.



JEWISH CHRONICLE LIMITED
BALANCE SHEET
30 SEPTEMBER 2003

	Notes	£	2003 £	2002 £
FIXED ASSETS				
Tangible assets	9		290,085	286,017
Investments	10		3,909,174	3,688,808
Investments in subsidiary undertakings	11		16,080	16,080
			4,215,339	3,990,905
CURRENT ASSETS				
Stocks		642		1,576
Debtors	12	1,507,812		1,409,560
Short term deposits		1,555,474		1,712,817
Cash at bank and in hand		16,152		21,310
		3,080,080		3,145,263
CREDITORS: amounts falling due within one year				
Trade creditors		138,314		144,519
Amounts due to subsidiary undertakings		1,116,684		923,768
Corporation tax		52,235		55,159
Other taxes and social security costs	13	183,693		172,398
Proposed dividend		71,006		71,006
Other creditors		309,578		333,372
Accruals and deferred income	14	97,698		124,748
		1,969,208		1,824,970
NET CURRENT ASSETS			1,110,872	1,320,293
TOTAL ASSETS LESS CURRENT LIABILITIES			5,326,211	5,311,198
PROVISIONS FOR LIABILITIES AND CHARGES	7		(102,889)	(72,337)
NET ASSETS			5,223,322	5,238,861
CAPITAL AND RESERVES				
Called up share capital	15		191,910	191,910
Capital redemption reserve			95,990	95,990
General reserve			4,935,422	4,950,961
SHAREHOLDERS' FUNDS			5,223,322	5,238,861

Approved by the Board on 27 November 2003
and signed on its behalf by:



The notes on pages 8 to 16 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	<u>261,790</u>	<u>395,059</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Other income		<u>133,012</u>	<u>78,632</u>
TAXATION			
UK Corporation tax paid		<u>(84,885)</u>	<u>(134,080)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		<u>(114,878)</u>	<u>(137,220)</u>
Proceeds of sale of tangible fixed assets		<u>24,385</u>	<u>8,600</u>
Purchase of investments		<u>(686,701)</u>	<u>(460,907)</u>
Proceeds of sale of investments		<u>375,782</u>	<u>632,487</u>
		<u>(401,412)</u>	<u>42,960</u>
EQUITY DIVIDENDS PAID		<u>(71,006)</u>	<u>(110,348)</u>
NET CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES		<u>(162,501)</u>	<u>272,223</u>
MANAGEMENT OF LIQUID RESOURCES			
Transfers to short term deposits		<u>157,343</u>	<u>(278,511)</u>
DECREASE IN CASH FOR THE YEAR	18	<u>(5,158)</u>	<u>(6,288)</u>

The notes on pages 8 to 16 form an integral part of these financial statements.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2003

1. BASIS OF FINANCIAL STATEMENTS

- a) The financial statements have been prepared using the historical cost convention and in accordance with applicable accounting standards.
- b) The financial statements incorporate the audited results of the company and its subsidiaries, details of which are shown in note 11. The company has not presented its own profit and loss account as permitted by Section 230 Companies Act 1985.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are as follows:

a) Depreciation

No depreciation has been provided on freehold land. Other fixed assets in use are depreciated over their estimated useful lives by equal annual instalments based on cost, less estimated residual value, at the following annual rates:

Long leasehold property	- 2%
Freehold building	- 2%
Fixtures, fittings and computers	- 25%

b) Deferred Taxation

Full provision is made for deferred taxation at the tax rate that is expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rate and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences between the company's taxable profits and its results are stated in the accounts.

Deferred tax is measured on a non-discounted basis.

c) Pension Costs

Pension costs of the company's defined benefit final salary scheme are charged to the profit and loss account in order to spread the costs over the working lives of the employees included within the scheme.

Company contributions to the company's defined contribution stakeholder pension scheme are charged to the profit and loss account as incurred.

d) Investments

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

3. TURNOVER

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



JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

4. OPERATING PROFIT	2003	2002
	£	£
Is stated after charging/(crediting)		
Depreciation	104,240	106,294
Auditors' remuneration - audit	19,500	19,000
- other services	25,475	31,300
Profit on disposal of tangible fixed assets	(17,815)	(2,346)
	<u> </u>	<u> </u>
5. OTHER INCOME		
Investment income	68,087	54,043
Short term deposit interest	64,925	61,797
Net losses on investment sales	(90,553)	(55,924)
	<u> </u>	<u> </u>
	42,459	59,916
	<u> </u>	<u> </u>
6. TAX ON PROFIT ON ORDINARY ACTIVITIES		
a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year	114,825	87,500
Over provision in previous years	(25,616)	(26,569)
	<u> </u>	<u> </u>
	89,209	60,931
Deferred tax		
Origination and reversal of timing differences	30,552	19,429
	<u> </u>	<u> </u>
	119,761	80,360
	<u> </u>	<u> </u>
b) Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	360,896	373,362
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by UK standard rate of corporation tax of 30%	108,269	112,009
Effects of:		
Differential between standard and actual rate	(18,563)	(24,818)
Permanent differences	31,767	15,619
Capital allowances in excess of depreciation	(1,591)	(4,618)
Other timing differences	(5,067)	(10,758)
Other	10	66
	<u> </u>	<u> </u>
	114,825	87,500
	<u> </u>	<u> </u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

7. DEFERRED TAXATION	2003	2002
	£	£
a) Balance at 1 October 2002	72,337	52,908
Transfer from profit and loss account (note 6)	30,552	19,429
Balance at 30 September 2003	<u>102,889</u>	<u>72,337</u>
 b) The balance at 30 September 2003 is represented by:		
Provisions	(13,258)	(8,867)
Short term timing differences	(3,999)	(41,942)
Pension scheme actuarial surplus	120,146	123,146
	<u>102,889</u>	<u>72,337</u>

8. STAFF COSTS
(including executive directors)

Wages and salaries	1,956,125	1,975,796
Social security costs	180,623	169,383
Other pension costs	218,129	165,249
	<u>2,354,877</u>	<u>2,310,428</u>

Included within other pension costs above are £6,642 (2002: £917) of costs in connection with the company's defined contribution stakeholder pension scheme whilst the remaining £211,487 (2002: £164,332) are costs in connection with the company's defined benefit final salary scheme.

Directors' Emoluments:

Aggregate emoluments - including fees to non-executive directors, taxable benefits in kind and profit related pay	<u>288,304</u>	<u>261,263</u>
Highest paid director:		
Aggregate emoluments - including taxable benefits in kind and profit related pay	111,388	102,972
Accrued pensions	<u>29,040</u>	<u>24,814</u>

In 2003 three (2002: two) directors accrued pension benefits under the group's defined benefit scheme.

The average number of employees (including part-time employees) during the year was:	No.	No.
Management and office	11	13
Editorial	27	27
Selling and distribution	23	23
	<u>61</u>	<u>63</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

8. STAFF COSTS (CONTINUED)

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from those of the company in a separately administered fund with its own Trustees. The contributions to the scheme are determined by a qualified actuary on the basis of a triennial valuation using the projected unit method. The most recent valuation was at 1 January 2001. The principal actuarial assumption adopted at that valuation was that the rate of return on investments would exceed the increase in pensionable salaries by 2% per annum.

The valuation disclosed that the value of the scheme's assets at that date was £10,909,000 and that there was a surplus of £1,379,000 after allowing for the actuarially calculated liabilities for future benefits. This surplus is being dealt with as an adjustment to the regular cost spread over 15 years being the average remaining service lives of the employees.

The next actuarial valuation will be at 1 October 2003.

In accordance with the requirements of Financial Reporting Standard 17 the full actuarial valuation at 1 January 2001 was updated by a qualified independent actuary at 30 September 2003. The major assumptions used by the actuary for the purpose of calculating the actuarial (deficit)/surplus were:

	2003	2002	2001
Discount rate	5.40%	5.25%	6.0%
Inflation assumption	2.75%	2.50%	2.5%
Rate of increase in salaries	4.25%	4.00%	4.5%
Rate of increase in pensions in payment	2.75%	2.50%	2.5%

The assets of the scheme are managed by Fidelity Pensions Management and by Merrill Lynch Investment Management. The fair value of the assets held and the expected rates of return assumed are as follows:

	Expected rate of return year commencing 30 September 2003	Expected rate of return year Commencing 30 September 2002	Expected rate of return year commencing 30 September 2001
Equities and property	7.25%	7.00%	8.00%
Bonds	5.00%	4.75%	5.5%
Cash	3.50%	4.00%	4.5%

	Value at 30 September 2003 £'000	Value at 30 September 2002 £'000	Value at 30 September 2001 £'000
Equities and property	8,713	7,406	9,945
Bonds	1,435	1,683	1,599
Cash	425	473	558
Total	10,573	9,562	12,102

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

8. STAFF COSTS (CONTINUED)

The funding position was as follows:

	2003 £'000	2002 £'000	2001 £'000
Total market value of assets	10,573	9,562	12,102
Present value of scheme liabilities	<u>(12,500)</u>	<u>(11,178)</u>	<u>(10,251)</u>
(Deficit)/surplus in the scheme	(1,927)	(1,616)	1,851
Related deferred tax asset/(liability)	<u>580</u>	<u>490</u>	<u>(560)</u>
Net pension (liability)/asset	<u>(1,347)</u>	<u>(1,126)</u>	<u>1,291</u>

If FRS 17 was implemented in full the above assets and liabilities would be brought on to the company's balance sheet and the below transactions would be reflected in the company's profit and loss account and Statement of Recognised Gains and Losses ('STRGL').

	Year ended 30 September 2003 £'000	Year ended 30 September 2002 £'000
Analysis of the amount chargeable to operating profit:		
Current service cost	428	346
Past service cost	<u>28</u>	<u>-</u>
Total operating charge	<u>456</u>	<u>346</u>

Analysis of the amount to be credited to other finance income:

Expected return on pension scheme assets	606	878
Interest on pension scheme liabilities	<u>(577)</u>	<u>(592)</u>
Net return	<u>29</u>	<u>286</u>

Analysis of amount recognisable in STRGL

Actuarial return less expected return on pension scheme assets	772	(2,638)
Experience gains and losses arising on scheme liabilities	(700)	(164)
Changes in assumptions underlying present value of scheme liabilities	<u>(158)</u>	<u>(791)</u>
Actuarial loss recognised in STRGL	<u>(86)</u>	<u>(3,593)</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

8. STAFF COSTS (CONTINUED)

Movement in surplus/(deficit) in year

	Year ended 30 September 2003 £'000	Year ended 30 September 2002 £'000
(Deficit)/surplus in scheme at beginning of year	(1,616)	1,851
Current service cost	(428)	(346)
Contributions	202	186
Past service costs	(28)	-
Other finance income	29	286
Actuarial loss	(86)	(3,593)
Deficit in scheme at end of year	<u>(1,927)</u>	<u>(1,616)</u>

As a result of the actuarial valuation as at 1 January 2001, the company has been contributing to the scheme at the rate of 10.1% of pensionable salary, plus the cost of death in service insurance cover. The current service cost will increase as the members of the scheme approach retirement. During the year company contributions to the scheme, excluding death in service insurance cover, amounted to £163,209 (2002: £144,230).

History of experience gains and losses

	Year ended 30 September 2003	Year ended 30 September 2002
Difference between expected and actual return on scheme assets:		
Amount (£'000)	772	(2,638)
Percentage of scheme assets	7.3%	27.6%
Experience gains and losses on scheme liabilities:		
Amount (£'000)	(700)	(164)
Percentage of present value of scheme liabilities	5.6%	1.5%
Total amount recognised in STRGL		
Amount (£'000)	(86)	(3,593)
Percentage of present value of scheme liabilities	0.7%	32.1%

In addition to the above, the scheme holds assets of £64,000 (2002: £53,000) that have been earmarked for the provision of additional benefits on a money purchase basis as a result of members Additional Voluntary Contributions

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold Property £	Fixtures, Fittings and Computers £	Total £
Cost:				
1 October 2002	150,543	100,000	939,088	1,189,631
Additions	-	-	114,878	114,878
Disposals	-	-	(70,196)	(70,196)
30 September 2003	150,543	100,000	983,770	1,234,313
Depreciation:				
1 October 2002	111,734	22,000	769,880	903,614
Charge for the year	2,999	2,000	99,241	104,240
Disposals	-	-	(63,626)	(63,626)
30 September 2003	114,733	24,000	805,495	944,228
Net Book Values				
30 September 2003	35,810	76,000	178,275	290,085
<i>30 September 2002</i>	<i>38,809</i>	<i>78,000</i>	<i>169,208</i>	<i>286,017</i>

10. INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Cost/Net Book Value			
At 1 October 2002	3,563,808	125,000	3,688,808
Additions	686,701	-	686,701
Disposals	(466,335)	-	(466,335)
At 30 September 2003	3,784,174	125,000	3,909,174

The market value of the listed investments at 30 September 2003 was £3,729,807 (2002: £3,104,394). The directors' valuation of the unlisted investments was £125,000 (2002: £125,000).

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2003 £	2002 £
Cost and Net Book Value	16,080	16,080

Company	Business	Type of Equity Held	% Held
Jewish Chronicle Newspaper Limited	Newspaper Publisher	"A" shares	100%
Boundary Enterprises Limited	Dormant	Ordinary	100%
JC Tech Limited	Dormant	Ordinary	80%
JC Online Limited	Dormant	Ordinary	80%*

* Indicates indirectly owned

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2003

12. DEBTORS	2003	2002
	£	£
Trade debtors	846,444	765,146
Other debtors, prepayments and accrued income	661,368	644,414
	<u>1,507,812</u>	<u>1,409,560</u>

Other debtors include pension scheme balances of £350,480 (2002: £380,480) to be amortised in periods in excess of twelve months from the balance sheet date.

13. OTHER TAXES AND SOCIAL SECURITY COSTS

PAYE	35,665	36,022
National insurance	34,902	29,245
VAT	113,126	107,131
	<u>183,693</u>	<u>172,398</u>

14. ACCRUALS AND DEFERRED INCOME

Accruals	31,059	66,074
Deferred income	66,639	58,674
	<u>97,698</u>	<u>124,748</u>

15. SHARE CAPITAL

Authorised:

191,000 Ordinary shares of 1p each	1,910	1,910
284,090 Non-voting Ordinary shares of £1 each	284,090	284,090
	<u>286,000</u>	<u>286,000</u>

Allotted, issued and fully paid:

190,010 Ordinary shares of 1p each	1,900	1,900
190,010 Non-Voting Ordinary shares of £1 each	190,010	190,010
	<u>191,910</u>	<u>191,910</u>

16. MINORITY INTEREST

The minority interest represents 26,000 Jewish Chronicle Newspaper Limited "B" shares of 1p each, 99.8% of which are held by the Jewish Chronicle Trust Limited.

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17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	318,437	313,446
Depreciation	104,240	106,294
Profit on sale of tangible fixed assets	(17,815)	(2,346)
Decrease in stocks	934	607
(Increase)/decrease in debtors	(98,252)	67,838
Decrease in creditors	(45,754)	(90,780)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>261,790</u>	<u>395,059</u>

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

Decrease in cash for the year	(5,158)	(6,288)
Increase in short term deposits	<u>(157,343)</u>	<u>278,511</u>
Change in net funds	(162,501)	272,223
Net funds at 1 October 2002	<u>1,734,127</u>	<u>1,461,904</u>
Net funds at 30 September 2003	<u>1,571,626</u>	<u>1,734,127</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2002 £	Cashflow £	At 30 September 2003 £
Cash at bank and in hand	21,310	(5,158)	16,152
Short term deposits	<u>1,712,817</u>	<u>(157,343)</u>	<u>1,555,474</u>
	<u>1,734,127</u>	<u>(162,501)</u>	<u>1,571,626</u>

20. ULTIMATE PARENT UNDERTAKING

The directors consider The Kessler Foundation, a company which is limited by guarantee and a registered charity, to be the ultimate parent undertaking.