

COMPANY NUMBER: 95587

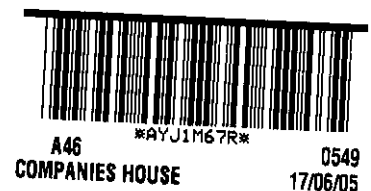
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**JEWISH CHRONICLE LIMITED
DIRECTORS' REPORT AND GROUP
FINANCIAL STATEMENTS
30 SEPTEMBER 2004**



Horwath Clark Whitehill

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JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 30 SEPTEMBER 2004

The directors submit their report and the financial statements for the year ended 30 September 2004.

RESULTS AND BUSINESS REVIEW

The results of the group for the year ended 30 September 2004 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 2004 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% of the issued share capital amounting to £71,006 in December 2004. 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.

TANGIBLE FIXED ASSETS

In the opinion of the directors, the market value in aggregate of the company's freehold and long leasehold 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 £5,983 (2003: £7,875).

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Mr P M Oppenheimer	(Chairman)
Mr R A Fass	(Managing Director)
Mr L L Gordon	
Mr J M Greenwood	
Mr P L Levy O.B.E.	
Mr A Rubenstein	
Mr E J Temko	
Mr R L Bolchover	(appointed 26 July 2004)

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

On 22 October 2004 Mr P L Levy was appointed Chairman. Mr D Kessler was appointed a director on 28 October 2004.

Mr P M Oppenheimer and Mr J M Greenwood will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mr R L Bolchover and Mr D Kessler having been appointed as directors since the last Annual General Meeting offer themselves for re-appointment in accordance with the Articles of Association.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2004

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

Following the transfer of substantially all of the business of Horwath Clark Whitehill to a limited liability partnership on 1 April 2004, Horwath Clark Whitehill resigned and the directors appointed their successor, Horwath Clark Whitehill LLP, as auditors.

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

By Order of the Board

Secretary





Horwath Clark Whitehill

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JEWISH CHRONICLE LIMITED

We have audited the financial statements of Jewish Chronicle Limited for the year ended 30 September 2004 set out on pages 4 to 16. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, 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 2004 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

25 November 2004

JEWISH CHRONICLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2004

	Notes	2004 £	2003 £
TURNOVER	3	5,032,059	5,074,169
Cost of sales		<u>(1,805,433)</u>	<u>(1,941,530)</u>
GROSS PROFIT		3,226,626	3,132,639
Distribution and selling costs		<u>(694,245)</u>	<u>(735,045)</u>
Administrative expenses		<u>(2,563,107)</u>	<u>(2,079,157)</u>
OPERATING (LOSS)/PROFIT	4	(30,726)	318,437
Other income	5	<u>62,157</u>	<u>42,459</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,431	360,896
Tax on profit on ordinary activities	6	<u>(22,119)</u>	<u>(119,761)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9,312	241,135
Dividend		<u>(71,006)</u>	<u>(71,006)</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(61,694)</u>	<u>170,129</u>

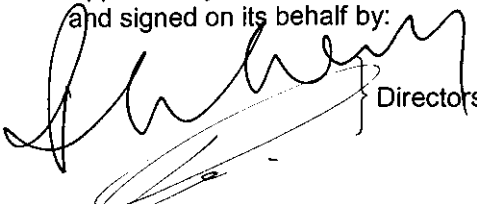
The profit and loss account contains all the gains and losses recognised in the year and in the previous year and the retained (loss)/profit for the year is the only movement in shareholders' funds during those years.

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

JEWISH CHRONICLE LIMITED
CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2004

	Notes	£	2004 £	2003 £
FIXED ASSETS				
Tangible assets	9		1,318,992	290,085
Investments	10		3,395,534	3,909,174
Copyrights and goodwill			1	1
			<u>4,714,527</u>	<u>4,199,260</u>
CURRENT ASSETS				
Stocks		1,352		642
Debtors	12	1,590,576		1,507,812
Short term deposits		987,372		1,555,474
Cash at bank and in hand		24,955		16,152
			<u>2,604,255</u>	<u>3,080,080</u>
CREDITORS: amounts falling due within one year				
Trade creditors		152,808		138,314
Corporation tax		20,591		112,009
Other taxes and social security costs	13	71,235		183,693
Proposed dividend		71,006		71,006
Other creditors		253,552		309,578
Accruals and deferred income	14	441,666		97,698
			<u>1,010,858</u>	<u>912,298</u>
NET CURRENT ASSETS			<u>1,593,397</u>	<u>2,167,782</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,307,924</u>	<u>6,367,042</u>
PROVISIONS FOR LIABILITIES AND CHARGES	7		<u>(105,465)</u>	<u>(102,889)</u>
NET ASSETS			<u>6,202,459</u>	<u>6,264,153</u>
CAPITAL AND RESERVES				
Called up share capital	15		191,910	191,910
Capital redemption reserve			95,990	95,990
Profit and loss account			5,914,299	5,975,993
SHAREHOLDERS' FUNDS			<u>6,202,199</u>	<u>6,263,893</u>
Minority interest	16		260	260
			<u>6,202,459</u>	<u>6,264,153</u>

Approved by the Board on
and signed on its behalf by:

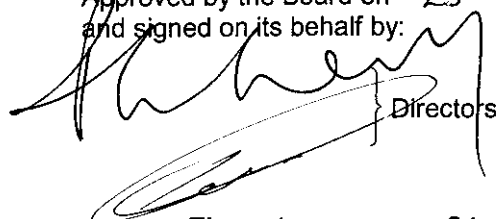
25 November 2004

Directors

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

JEWISH CHRONICLE LIMITED
BALANCE SHEET
30 SEPTEMBER 2004

	Notes	£	2004 £	2003 £
FIXED ASSETS				
Tangible assets	9		1,318,992	290,085
Investments	10		3,395,534	3,909,174
Investments in subsidiary undertakings	11		16,080	16,080
			<u>4,730,606</u>	<u>4,215,339</u>
CURRENT ASSETS				
Stocks		1,352		642
Debtors	12	1,590,576		1,507,812
Short term deposits		987,372		1,555,474
Cash at bank and in hand		24,955		16,152
		<u>2,604,255</u>		<u>3,080,080</u>
CREDITORS: amounts falling due within one year				
Trade creditors		152,808		138,314
Amounts due to subsidiary undertakings		907,615		1,116,684
Corporation tax		-		52,235
Other taxes and social security costs	13	71,235		183,693
Proposed dividend		71,006		71,006
Other creditors		253,552		309,578
Accruals and deferred income	14	441,666		97,698
		<u>1,897,882</u>		<u>1,969,208</u>
NET CURRENT ASSETS			<u>706,373</u>	<u>1,110,872</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,436,979</u>	<u>5,326,211</u>
PROVISIONS FOR LIABILITIES AND CHARGES	7		<u>(105,465)</u>	<u>(102,889)</u>
NET ASSETS			<u>5,331,514</u>	<u>5,223,322</u>
CAPITAL AND RESERVES				
Called up share capital	15		191,910	191,910
Capital redemption reserve			95,990	95,990
Profit and loss account			5,043,614	4,935,422
SHAREHOLDERS' FUNDS			<u>5,331,514</u>	<u>5,223,322</u>

Approved by the Board on 25 November 2004
and signed on its behalf by:


Directors

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 2004

	Notes	2004 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	<u>165,332</u>	<u>261,790</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Investment income		118,785	68,087
Short term deposit interest		<u>70,628</u>	<u>64,925</u>
		<u>189,413</u>	<u>133,012</u>
TAXATION			
UK Corporation tax paid		<u>(110,961)</u>	<u>(84,885)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(1,127,761)	(114,878)
Proceeds of sale of tangible fixed assets		9,300	24,385
Purchase of investments		(380,784)	(686,701)
Proceeds of sale of investments		<u>767,168</u>	<u>375,782</u>
		<u>(732,077)</u>	<u>(401,412)</u>
EQUITY DIVIDENDS PAID		<u>(71,006)</u>	<u>(71,006)</u>
NET CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES		(559,299)	(162,501)
MANAGEMENT OF LIQUID RESOURCES			
Transfers from short term deposits		<u>568,102</u>	<u>157,343</u>
INCREASE/(DECREASE) IN CASH FOR THE YEAR	18	<u>8,803</u>	<u>(5,158)</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 2004

1. BASIS OF FINANCIAL STATEMENTS

- a) The financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment properties (see note 2e), 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 or investment properties (see note 2e). Other tangible fixed assets in use are depreciated over their estimated useful lives by equal annual instalments based on cost, less estimated residual value, at the following annual rates:

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.

e) Investment properties

Investment properties are valued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. Where a deficit, in excess of the amount previously transferred to the revaluation reserve, is regarded as being a permanent diminution the amount is charged immediately to the profit and loss account. No depreciation is provided in respect of investment properties. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2004

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.

4. OPERATING (LOSS)/PROFIT	2004	2003
	£	£
Is stated after charging/(crediting)		
Depreciation	93,026	104,240
Auditors' remuneration - audit	20,000	19,500
- other services	26,272	25,475
Profit on disposal of tangible fixed assets	<u>(3,472)</u>	<u>(17,815)</u>

5. OTHER INCOME

Investment income	123,799	68,087
Short term deposit interest	65,614	64,925
Net losses on investment sales	<u>(127,256)</u>	<u>(90,553)</u>
	<u>62,157</u>	<u>42,459</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in year

Current tax

UK corporation tax on profits of the year	20,591	114,825
Over provision in previous years	<u>(1,048)</u>	<u>(25,616)</u>
	19,543	89,209

Deferred tax

Origination and reversal of timing differences	<u>2,576</u>	<u>30,552</u>
	<u>22,119</u>	<u>119,761</u>

b) Factors affecting the tax charge for the year

Profit on ordinary activities before taxation	<u>31,431</u>	<u>360,896</u>
Profit on ordinary activities multiplied by UK standard rate of corporation tax of 30%	9,429	108,269
Effects of:		
Differential between standard and actual rate	(11,921)	(18,563)
Permanent differences	29,951	31,767
Other timing differences	<u>(6,868)</u>	<u>(6,648)</u>
	<u>20,591</u>	<u>114,825</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2004

7. DEFERRED TAXATION	2004 £	2003 £
a) Balance at 1 October 2003	102,889	72,337
Transfer from profit and loss account (note 6)	<u>2,576</u>	<u>30,552</u>
Balance at 30 September 2004	<u>105,465</u>	<u>102,889</u>
b) The balance at 30 September 2004 is represented by:		
Provisions	(16,874)	(13,258)
Short term timing differences	17,195	(3,999)
Pension scheme actuarial surplus	<u>105,144</u>	<u>120,146</u>
	<u>105,465</u>	<u>102,889</u>

8. STAFF COSTS
(including executive directors)

Wages and salaries	2,003,279	1,956,125
Social security costs	194,774	180,623
Other pension costs	<u>310,846</u>	<u>218,129</u>
	<u>2,508,899</u>	<u>2,354,877</u>

Included within other pension costs above are £6,972 (2003 £6,642) of costs in connection with the company's defined contribution stakeholder pension scheme whilst the remaining £303,874 (2003: £211,487) 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>392,200</u>	<u>288,304</u>
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Highest paid director:

Aggregate emoluments - including taxable benefits in kind and profit related pay

<u>116,319</u>	<u>111,388</u>
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Accrued pensions

<u>33,453</u>	<u>29,040</u>
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In 2004 three (2003: three) directors accrued pension benefits under the group's defined benefit scheme.

In addition to the above £324,500 has been provided in the accounts in respect of compensation for loss of office in respect of a director.

The average number of employees
(including part-time employees) during the year was:

Management and office
Editorial
Selling and distribution

No.	No.
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11	11
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27	27
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<u>23</u>	<u>23</u>
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<u>61</u>	<u>61</u>
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JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2004

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 October 2003. The principal actuarial assumptions adopted at that valuation were that investment returns would be 7% per annum prior to retirement and 5.5% per annum after retirement, increases in salaries would be 4.25% per annum and that price inflation and increases in pensions in payment would both be 2.75% per annum.

The valuation disclosed that the value of the scheme's assets at that date was £10,573,000 and that there was a deficit of £1,068,000 after allowing for the actuarially calculated liabilities for past service benefits, accordingly the funding level of past service benefits within the valuation is 91%.

The next actuarial valuation will be at 1 October 2006.

In accordance with the requirements of Financial Reporting Standard 17 the full actuarial valuation at 1 October 2003 was updated by a qualified independent actuary at 30 September 2004. The major assumptions used by the actuary for the purpose of calculating the actuarial deficit were:

	2004	2003	2002	2001
Discount rate	5.50%	5.40%	5.25%	6.00%
Inflation assumption	4.00%	2.75%	2.50%	2.50%
Rate of increase in salaries	4.50%	4.25%	4.00%	4.50%
Rate of increase in pensions in payment	3.00%	2.75%	2.50%	2.50%

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			
	2004	2003	2002	2001
Equities and property	7.50%	7.25%	7.00%	8.00%
Bonds	5.25%	5.00%	4.75%	5.50%
Cash	4.75%	3.50%	4.00%	4.50%

	Value at 30 September			
	2004 £'000	2003 £'000	2002 £'000	2001 £'000
Equities and property	8,512	8,713	7,406	9,945
Bonds	2,789	1,435	1,683	1,599
Cash	4	425	473	558
Total	11,305	10,573	9,562	12,102

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2004

8. STAFF COSTS (CONTINUED)

The funding position was as follows:

	2004	2003	2002	2001
	£'000	£'000	£'000	£'000
Total market value of assets	11,305	10,573	9,562	12,102
Present value of scheme liabilities	(11,973)	(12,500)	(11,178)	(10,251)
(Deficit)/surplus in the scheme	(668)	(1,927)	(1,616)	1,851
Related deferred tax asset/(liability)	200	580	490	(560)
Net pension (liability)/asset	(468)	(1,347)	(1,126)	1,291

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		
	2004	2003	2002
	£'000	£'000	£'000
Analysis of the amount chargeable to operating profit:			
Current service cost	390	428	346
Past service cost	-	28	-
Total operating charge	390	456	346
Analysis of the amount to be credited to other finance income:			
Expected return on pension scheme assets	710	606	878
Interest on pension scheme liabilities	(669)	(577)	(592)
Net return	41	29	286
Analysis of amount recognisable in STRGL			
Actuarial return less expected return on pension scheme assets	255	772	(2,638)
Experience gains and losses arising on scheme liabilities	293	(700)	(164)
Changes in assumptions underlying present value of scheme liabilities	787	(158)	(791)
Actuarial loss recognised in STRGL	1,335	(86)	(3,593)

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2004

8. STAFF COSTS (CONTINUED)

Movement in surplus/(deficit) in year

	Year ended 30 September		
	2004 £'000	2003 £'000	2002 £'000
(Deficit)/surplus in scheme at beginning of year	(1,927)	(1,616)	1,851
Current service cost	(390)	(428)	(346)
Contributions	273	202	186
Past service costs	-	(28)	-
Other finance income	41	29	286
Actuarial gain/(loss)	<u>1,335</u>	<u>(86)</u>	<u>(3,593)</u>
Deficit in scheme at end of year	<u>(668)</u>	<u>(1,927)</u>	<u>(1,616)</u>

As a result of the actuarial valuation as at 1 October 2003, the company has been contributing to the scheme at the rate of 22.1% of pensionable salary, plus the cost of death in service insurance cover. The contribution rate will be 20.7% from 1 January 2005, 15.2% from 1 January 2006 and 13.7% from 1 January 2007 onwards. 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 £265,889 (2003: £163,209).

History of experience gains and losses

	Year ended 30 September		
	2004	2003	2002
Difference between expected and actual return on scheme assets:			
Amount (£'000)	255	772	(2,638)
Percentage of scheme assets	2.3%	7.3%	27.6%
Experience gains and losses on scheme liabilities:			
Amount (£'000)	293	(700)	(164)
Percentage of present value of scheme liabilities	2.4%	5.6%	1.5%
Changes in assumptions underlying present value of scheme liabilities			
Amount (£'000)	787	(158)	(791)
Percentage of present value of scheme liabilities	<u>6.6%</u>	<u>1.2%</u>	<u>8.2%</u>
Total amount recognised in STRGL			
Amount (£'000)	1,335	(86)	(3,593)
Percentage of present value of scheme liabilities	11.2%	0.7%	37.6%

In addition to the above, the scheme holds assets of £70,000 (2003: £64,000) 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 2004

9. TANGIBLE FIXED ASSETS

	Investment Property £	Freehold Property £	Long Leasehold Property £	Fixtures, Fittings and Computers £	Total £
Cost/Valuation:					
1 October 2003	-	150,543	100,000	983,770	1,234,313
Additions	1,073,875	-	-	53,885	1,127,760
Disposals	-	-	-	(84,558)	(84,558)
30 September 2004	1,073,875	150,543	100,000	953,097	2,277,515
Depreciation:					
1 October 2003	-	114,733	24,000	805,495	944,228
Charge for the year	-	2,999	2,000	88,027	93,026
Disposals	-	-	-	(78,731)	(78,731)
30 September 2004	-	117,732	26,000	814,791	958,523
Net Book Values					
30 September 2004	1,073,875	32,811	74,000	138,306	1,318,992
<i>30 September 2003</i>	<i>-</i>	<i>35,810</i>	<i>76,000</i>	<i>178,275</i>	<i>290,085</i>

The directors' open market valuation of the company's investment property was £1,073,875 at 30 September 2004. The property's historic cost is £1,073,875.

10. INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Cost/Net Book Value			
At 1 October 2003	3,784,174	125,000	3,909,174
Additions	380,785	-	380,785
Disposals	(894,425)	-	(894,425)
At 30 September 2004	3,270,534	125,000	3,395,534

The market value of the listed investments at 30 September 2004 was £3,612,883 (2003: £3,729,807). The directors' valuation of the unlisted investments at 30 September 2004 was £125,000 (2003: £125,000).

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

		2004 £	2003 £
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

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12. DEBTORS	2004 £	2003 £
Trade debtors	889,565	846,444
VAT	71,369	-
Other debtors, prepayments and accrued income	<u>629,642</u>	<u>661,368</u>
	<u>1,590,576</u>	<u>1,507,812</u>

Other debtors include pension scheme balances of £320,480 (2003: £350,480) to be amortised in periods in excess of twelve months from the balance sheet date.

13. OTHER TAXES AND SOCIAL SECURITY COSTS

PAYE	37,075	35,665
National insurance	34,160	34,902
VAT	<u>-</u>	<u>113,126</u>
	<u>71,235</u>	<u>183,693</u>

14. ACCRUALS AND DEFERRED INCOME

Accruals	376,990	31,059
Deferred income	<u>64,676</u>	<u>66,639</u>
	<u>441,666</u>	<u>97,698</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	<u>284,090</u>	<u>284,090</u>
	<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	<u>190,010</u>	<u>190,010</u>
	<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 (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004 £	2003 £
Operating (loss)/profit	(30,726)	318,437
Depreciation	93,026	104,240
Profit on sale of tangible fixed assets	(3,472)	(17,815)
(Increase)/decrease in stocks	(710)	934
Increase in debtors	(82,764)	(98,252)
Increase/(decrease) in creditors	189,978	(45,754)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>165,332</u>	<u>261,790</u>

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

Increase/(decrease) in cash for the year	8,803	(5,158)
Decrease in short term deposits	<u>(568,102)</u>	<u>(157,343)</u>
Change in net funds	(559,299)	(162,501)
Net funds at 1 October 2003	<u>1,571,626</u>	<u>1,734,127</u>
Net funds at 30 September 2004	<u>1,012,327</u>	<u>1,571,626</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2003 £	Cashflow £	At 30 September 2004 £
Cash at bank and in hand	16,152	8,803	24,955
Short term deposits	<u>1,555,474</u>	<u>(568,102)</u>	<u>987,372</u>
	<u>1,571,626</u>	<u>(559,299)</u>	<u>1,012,327</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.