

Company Registration No. 03302610 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
THE JEWISH NEWS LIMITED

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THE JEWISH NEWS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2010

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THE JEWISH NEWS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS:

Daniel Assor
Andrew Margolis

REGISTERED OFFICE:

Unit 611
Highgate Studios
53-79 Highgate Road
Kentish Town
London
NW5 1TL

REGISTERED NUMBER:

03302610 (England and Wales)

AUDITORS:

Royce Peeling Green Limited
15 Buckingham Gate
London
SW1E 6LB

THE JEWISH NEWS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of the publication of a free newspaper, The Jewish News

REVIEW OF BUSINESS

The results for the year are set out on page 4

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

Daniel Assor
Andrew Margolis

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 profit or loss of the company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Royce Peeling Green Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


Daniel Assor
Director

27 June 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE JEWISH NEWS LIMITED**

We have audited the financial statements of The Jewish News Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities, 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its 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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the reliance on the company's parent undertaking Totally Plc, for continued financial support and the uncertainty as to the ability of that company to continue providing this support. In view of the significance of the uncertainty inherent in this matter we consider that it should be drawn to your attention but our opinion is not qualified in that respect.

Opinion on other matter prescribed by the Companies Act 2006

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

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

Royce Peeling Green Limited

Paul Randall (Senior Statutory Auditor)
for and on behalf of Royce Peeling Green Limited
Chartered Accountants
Statutory Auditors
15 Buckingham Gate
London
SW1E 6LB

27 June 2011

THE JEWISH NEWS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	31.12.10 £	31.12.09 £
TURNOVER	2	1,126,907	1,103,229
Cost of sales		<u>386,445</u>	<u>325,511</u>
GROSS PROFIT		740,462	777,718
Administrative expenses		<u>490,689</u>	<u>471,095</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	249,773	306,623
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>249,773</u></u>	<u><u>306,623</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

THE JEWISH NEWS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	31.12.10 £	31.12.09 £
PROFIT FOR THE FINANCIAL YEAR		249,773	306,623
Prior year adjustment	11	<u>-</u>	<u>(49,646)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>249,773</u>	<u>256,977</u>

The notes form part of these financial statements

THE JEWISH NEWS LIMITED

BALANCE SHEET
31 DECEMBER 2010

	Notes	31.12.10 £	£	31 12.09 £	£
FIXED ASSETS					
Tangible assets	6		1,049		991
CURRENT ASSETS					
Debtors	7	571,540		101,490	
Cash at bank		<u>126,844</u>		<u>515,139</u>	
		698,384		616,629	
CREDITORS					
Amounts falling due within one year	8	<u>103,727</u>		<u>271,687</u>	
NET CURRENT ASSETS			<u>594,657</u>		<u>344,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>595,706</u>		<u>345,933</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Profit and loss account	11		<u>595,704</u>		<u>345,931</u>
SHAREHOLDERS' FUNDS	12		<u>595,706</u>		<u>345,933</u>

The financial statements were approved by the Board of Directors on 27 June 2011 and were signed on its behalf by


Daniel Assor
Director

Company Registration No. 03302610

The notes form part of these financial statements

THE JEWISH NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2010**

1 ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention

The financial statements are prepared under the historical cost convention

The financial statements are prepared on a going concern basis. The directors believe this basis to be appropriate and can provide the following information regarding the financial position of the company

The company is dependent for its working capital on funds provided to it by Totally Plc, the company's ultimate and immediate parent undertakings. Totally Plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to stay in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. However, the ability of Totally Plc to provide this support is in turn dependent on Totally Plc and its group continuing to operate as a going concern for the foreseeable future.

Inherently there can be no certainty in relation to these matters. However, the directors of The Jewish News Limited have no reason to believe either that Totally Plc will not be able to continue providing the necessary support to the company or that it will not do so and therefore believe that the going concern basis of preparation continues to be appropriate. The financial statements do not include any adjustments that would result from a withdrawal of this support.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and a cash flow statement is prepared by the ultimate parent undertaking.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	50% straight line
Fixtures, fittings & equipment	50% straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse and has not been discounted.

A net deferred tax asset is regarded as recoverable and therefore only recognised when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

THE JEWISH NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES - continued

1 7 Prior year adjustment

There was a change in the revenue recognition policy in 2009, and consequently the results of the previous year were restated. The board reviewed the accounting policy specifically with reference to publications, where advertising revenue is generated both via magazine advertising (print media) and online advertising. The past policy was to recognise revenue on the earliest publication date, whether this was online or as published via print media. The new policy is to recognise revenue on the latest publication date, whether this is online or published via print media. The change in policy reflects the uncertainty and subjectivity in dividing advertising income between online and print media. The new policy provides more relevant and reliable financial information.

The impact of the prior year adjustment on the profit and loss account was to increase the turnover reported in 2008 by £4,318 and to reduce cost of sales by £1,156. There was no impact on the tax charge due to the losses available to the company. The impact on the balance sheet was to increase accruals and deferred income at 31 December 2008 by £49,646 to £71,805 and by £55,121 to £67,104 at 1 January 2008.

2 TURNOVER

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

3 STAFF COSTS

	31.12.10	31.12.09
	£	£
Wages and salaries	<u>399,781</u>	<u>368,720</u>

The average monthly number of employees during the year was as follows

	31.12.10	31.12.09
Management	1	1
Editorial	6	6
Sales and marketing	6	6
Administrative	<u>1</u>	<u>1</u>
	<u>14</u>	<u>14</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31.12.10	31.12.09
	£	£
Operating lease rentals – Plant and machinery	-	2,714
Depreciation of tangible assets	524	4,313
Profit on disposal of fixed assets	-	(1,285)
Auditors' remuneration	<u>4,200</u>	<u>4,200</u>
Directors' remuneration	<u>3,950</u>	<u>44,011</u>

The director's emoluments are paid by a fellow subsidiary undertaking, TotallyJewish.com Limited. The company is recharged a proportion of shared costs.

THE JEWISH NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2010

5 TAXATION

Analysis of the tax charge

The tax credit on the loss on ordinary activities for the year as follows

	31.12.10	31.12.09
	£	£
Profit on ordinary activities before tax	<u>249,773</u>	<u>306,623</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	69,936	85,854
Effects of		
Non deductible expenses	307	298
Depreciation add back	147	848
Capital allowance	(163)	-
Tax losses utilised	<u>(70,227)</u>	<u>(87,000)</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £861,674 (2009 - £1,117,487) available for carry forward against future trading profits

No deferred tax asset has been recognised in respect of the tax losses due to uncertainty as to the timing and tax rate at which these losses will be utilised

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2010	30,868	21,070	51,938
Additions	<u>-</u>	<u>582</u>	<u>582</u>
At 31 December 2010	<u>30,868</u>	<u>21,652</u>	<u>52,520</u>
DEPRECIATION			
At 1 January 2010	30,868	20,079	50,947
Charge for year	<u>-</u>	<u>524</u>	<u>524</u>
At 31 December 2010	<u>30,868</u>	<u>20,603</u>	<u>51,471</u>
NET BOOK VALUE			
At 31 December 2010	<u>-</u>	<u>1,049</u>	<u>1,049</u>
At 31 December 2009	<u>-</u>	<u>991</u>	<u>991</u>

THE JEWISH NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2010

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.10	31.12.09
	£	£
Trade debtors	147,179	100,828
Amounts owed by parent and fellow subsidiary undertakings	412,352	-
Other debtors	-	396
Prepayments and accrued income	<u>12,009</u>	<u>266</u>
	<u>571,540</u>	<u>101,490</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.10	31.12.09
	£	£
Trade creditors	52,161	79,064
Amounts owed to parent and fellow subsidiary undertakings	-	169,955
Social security and other taxes	30,636	-
Other creditors	7,785	7,219
Directors' current accounts	-	10,000
Accruals and deferred income	<u>13,145</u>	<u>5,449</u>
	<u>103,727</u>	<u>271,687</u>

9 FINANCIAL COMMITMENTS

At 31 December 2010 the company was committed to making the following payments under non cancellable operating leases in the year to 31 December 2011

	31.12.10	Other	31.12.09
	£		£
Operating leases which expire			
Between two and five years	<u>7,520</u>		<u>3,544</u>

10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31.12.10	31.12.09
Number	Class	Nominal value	£	£
2	Ordinary share	£1	<u>2</u>	<u>2</u>

11 STATEMENT OF MOVEMENT ON PROFIT AND LOSS ACCOUNTS

	Profit and loss account
	£
At 1 January 2010	345,931
Profit for the year	<u>249,773</u>
At 31 December 2010	<u>595,704</u>

THE JEWISH NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2010

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.10	31.12.09
	£	£
Profit for the financial year	249,773	306,623
Opening shareholders' funds	<u>345,933</u>	<u>39,308</u>
Closing shareholders' funds	<u>595,706</u>	<u>345,933</u>

13 CONTINGENT LIABILITIES

The company has given a cross guarantee to Natwest Bank Plc covering all the borrowings of the Totally Plc group from the bank. The contingent liability at the balance sheet date amounted to £529,223 (2009 £Nil)

14 DIRECTORS REMUNERATION

	31.12.10	31.12.09
	£	£
Remuneration for qualifying services	<u>3,950</u>	<u>44,011</u>

15 CONTROL

The company is a direct 100% subsidiary of Totally Plc. Copies of the group financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ

16 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions