

JEWISH CHRONICLE LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
30 SEPTEMBER 2010

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JEWISH CHRONICLE LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 30 SEPTEMBER 2010

The directors present their report and the financial statements for the year ended 30 September 2010

PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiaries during the year was the publication of the Jewish Chronicle newspaper together with its website thejc.com

RESULTS AND DIVIDENDS

The results of the group for the year ended 30 September 2010 are shown in the profit and loss account

No dividend in respect of the year was declared subsequent to the year-end. The dividend charged to the profit and loss account in the year of £50,376 represents the dividend declared subsequent to 30 September 2009 in respect of the year then ended which was paid during December 2009.

BUSINESS REVIEW

Although the past year continued to present the UK's economy with very significant challenges, we can report that your company has once again fared relatively well in these turbulent markets. Indeed we have performed, in relative terms, much better than many other UK businesses, with our revenue maintaining parity with the previous year. Our total operating costs have increased by 4% due to the impact of FRS 17, whilst other income, comprising of investments and rental income, show a decrease over last year due to the continuing low interest rates. The Investment Committee once again obtained a good capital performance and was helped by a capital gain of £134,000. We successfully negotiated an increase in rental income of £10,000 per annum from the Castle Public House, effective from 1st April 2010.

Despite having a tight rein on the costs, no salary increases in 2009, and an across the board increase of 2% in this current year the real problem was advertising income. The JC fared slightly better than newspapers generally but still faced the hard fact that advertising was very difficult to come by, and the rates attained were much lower than expected with advertisers taking full advantage of the economic situation. Despite negotiating better rates with our printers we were still faced with an increase of 7% on our newsprint which will increase yet again at the beginning of 2011 by a further 20%.

We launched the JC North in May 2010 and despite a slow start we are confident that increased circulation and advertising revenue will follow.

The net loss after taxation for the year was £65,428.

We have continued our marketing campaign to encourage readers to take out annual subscriptions and we are pleased to say that year on year our last ABC figure showed an increase of circulation of 3.6%.

We produced 5 excellent and successful colour magazines during the year, and will publish 6 during the coming year, together with an additional number of our traditional supplements. Our website thejc.com is progressing well with an increasing audience and steady growth in advertising revenue. The site now has 750,000 hits per month and the executive team continues to work to head towards a million and therefore make the site more commercially attractive. We again have to make the point that our primary market, the Jewish community, continues to diminish in numbers, which of course affects circulation growth. We continue to try and expand our distribution arrangements in Israel but the numbers at this stage are very small. Notwithstanding the difficult trading conditions of the past year the company continues to have a strong asset base and reserves and is free of debt.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2010

BUSINESS REVIEW (continued)

Due to the adverse financial conditions, most particularly the very low interest rates and Gilt yields, which are beyond the company's control, the Scheme deficit valuation, under FRS 17, has increased and shortfalls have also arisen in the Scheme's cash flow due to several significant pensions that fell due. It should be noted that these conditions are highly unusual due to the Bank of England's monetary policy, particularly its quantitative easing programme and commentators believe unlikely to continue in the long term. Gilt yields, which are a key component of the actuary's calculations, have been affected in an unprecedented fashion and as and when normal economic conditions return these should reset themselves and thus the valuation to more normal terms. If for example interest rates were to increase substantially the scheme may well be in surplus on an FRS17 basis. In addition to the first charge granted by the Board to the Scheme Trustees over 25/26 Farnival Street as previously reported, further security has been granted by way of first charges over the company's freehold share of the property on Hampstead Way, the Company's investment portfolio and the two Bomberg paintings. It has also been agreed that an additional cash contribution will be made each year, with the situation being reviewed following the next triennial review, due in 2012.

The new financial year which commenced the beginning of October, has started well and the company hopes that the current financial difficulties will be reversed during the course of this year. As agreed by all the stakeholders in the business, a review of the corporate structure of the company has been undertaken and it is hoped that these independent recommendations will be implemented.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In common with every other business, the group aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against those forecasts and ensuring that adequate financial facilities are in place to meet the requirements of the business. Trade debtors are also closely monitored to keep the risk of bad debts to a minimum level.

CHARITABLE DONATIONS

During the year donations were made to UK charitable organisations totalling £10,770 (2009 £1,600)

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2010

DIRECTORS

The directors who served during the year were as follows

R L Bolchover
J S Chain
D B Kessler
A Rubenstein

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 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 judgments 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

JEWISH CHRONICLE LIMITED
REPORT OF THE DIRECTORS (Continued)
YEAR ENDED 30 SEPTEMBER 2010

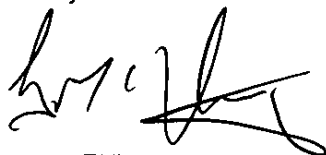
AUDITORS

On 1 October 2010 Horwath Clark Whitehill LLP changed its name to Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed statutory auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Approved by the Board on 13 December 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'G A McCarthy', with a stylized flourish at the end.

G A MCCARTHY

Company Secretary

Independent Auditor's Report to the Shareholders of Jewish Chronicle Limited

We have audited the financial statements of Jewish Chronicle Limited for the year ended 30 September 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 21

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 shareholders, as a body, in accordance with Sections 495 to 496 of the Companies Act 2006. 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 auditor's 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 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 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 group's and the company's affairs as at 30 September 2010 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 by the company, 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.


David Devon
Senior Statutory Auditor
for and on behalf of
Crowe Clark Whitehill LLP
Chartered Accountants
Statutory Auditor

St Bride's House
10 Salisbury Square
London EC4Y 8EH

13 December 2010

JEWISH CHRONICLE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 53 Issues £	2009 52 Issues £
TURNOVER	2	4,704,322	4,701,356
Cost of sales		<u>(2,145,124)</u>	<u>(2,022,845)</u>
GROSS PROFIT		2,559,198	2,678,511
Distribution and selling costs		<u>(1,158,083)</u>	<u>(1,030,483)</u>
Administrative expenses excluding FRS 17 pension cost adjustments		<u>(1,743,222)</u>	<u>(2,093,724)</u>
OPERATING LOSS (excluding FRS 17 pension cost adjustments)		(342,107)	(445,696)
Administrative expenses FRS 17 pension cost adjustments	7	<u>15,000</u>	<u>306,000</u>
OPERATING LOSS	3	(327,107)	(139,696)
Listed investments provision release	9	76,427	179,748
Other income	4	240,211	267,874
Other finance cost	5	<u>(248,000)</u>	<u>(282,000)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(258,469)	25,926
Tax on (loss)/profit on ordinary activities	6	<u>193,041</u>	<u>31,071</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	<u>(65,428)</u>	<u>56,997</u>

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2010 £	2009 £
(Loss)/profit for the financial year	15	(65,428)	56,997
Unrealised deficit on revaluation of investment properties	15	(42,000)	(100,000)
Actuarial loss recognised in the pension scheme	15	(760,000)	(2,604,000)
Deferred tax recognised on loss in the pension scheme	15	<u>(297,000)</u>	<u>722,000</u>
Total gains and losses relating to the year		<u>(1,164,428)</u>	<u>(1,925,003)</u>

The related notes 1 to 21 form part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2010
COMPANY NUMBER 95587

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	1,309,298	1,335,985
Investments	9	125,000	2,773,907
Copyrights and goodwill		1	1
		<u>1,434,299</u>	<u>4,109,893</u>
CURRENT ASSETS			
Stocks		930	1,826
Debtors	11	1,240,721	1,281,266
Short term deposits		4,911,703	2,425,669
Cash at bank and in hand		100,018	33,957
		<u>6,253,372</u>	<u>3,742,718</u>
CREDITORS amounts falling due within one year	12	<u>(490,752)</u>	<u>(557,888)</u>
NET CURRENT ASSETS		<u>5,762,620</u>	<u>3,184,830</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS (excluding pension liability)		<u>7,196,919</u>	<u>7,294,723</u>
Pension liability	21	<u>(4,542,000)</u>	<u>(3,425,000)</u>
NET ASSETS (including pension liability)		<u>2,654,919</u>	<u>3,869,723</u>
CAPITAL AND RESERVES			
Called up share capital	14,15	191,910	191,910
Capital redemption reserve	15	95,990	95,990
Revaluation reserve	15	62,842	104,842
Profit and loss account	15	2,303,917	3,476,721
SHAREHOLDERS' FUNDS			
Minority interest	15	2,654,659	3,869,463
	16	260	260
		<u>2,654,919</u>	<u>3,869,723</u>

The financial statements were approved and authorised for issue by the Board on 13 December 2010 and signed on its behalf by


R L BOLCHOVER Director



A RUBENSTEIN Director

The related notes 1 to 21 form part of these financial statements

JEWISH CHRONICLE LIMITED
COMPANY BALANCE SHEET
30 SEPTEMBER 2010
COMPANY NUMBER 95587

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	1,309,298	1,335,985
Investments	9	125,000	2,773,907
Investments in subsidiary undertakings	10	16,091	16,091
		<u>1,450,389</u>	<u>4,125,983</u>
CURRENT ASSETS			
Stocks		930	1,826
Debtors	11	1,230,970	1,281,266
Short term deposits		4,911,703	2,425,669
Cash at bank and in hand		100,018	33,957
		<u>6,243,621</u>	<u>3,742,718</u>
CREDITORS amounts falling due within one year	12	<u>(550,027)</u>	<u>(742,489)</u>
NET CURRENT ASSETS		<u>5,693,594</u>	<u>3,000,229</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS (excluding pension liability)		7,143,983	7,126,212
Pension liability	21	<u>(4,542,000)</u>	<u>(3,425,000)</u>
NET ASSETS (including pension liability)		<u>2,601,983</u>	<u>3,701,212</u>
CAPITAL AND RESERVES			
Called up share capital	14,15	191,910	191,910
Capital redemption reserve	15	95,990	95,990
Revaluation reserve	15	62,842	104,842
Profit and loss account	15	2,251,241	3,308,470
SHAREHOLDERS' FUNDS	15	<u>2,601,983</u>	<u>3,701,212</u>

The financial statements were approved and authorised for issue by the Board on 13 December 2010 and signed on its behalf by



R L BOLCHOVER Director



A RUBENSTEIN Director

The related notes 1 to 21 form part of these financial statements.

JEWISH CHRONICLE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 £	2009 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	<u>(301,822)</u>	<u>(296,144)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Rental income		50,000	45,000
Investment income		45,883	88,978
Short term deposit interest		10,337	27,780
		<u>106,220</u>	<u>161,758</u>
TAXATION			
UK Corporation tax recovered/(paid)		<u>20,093</u>	<u>(13,939)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(81,444)	(13,015)
Proceeds from sale of tangible fixed assets		99	-
Purchase of investments		(13,147)	(58,307)
Proceeds from sale of investments		<u>2,872,472</u>	<u>338,565</u>
		<u>2,777,980</u>	<u>267,243</u>
EQUITY DIVIDENDS PAID		<u>(50,376)</u>	<u>(40,301)</u>
NET CASH INFLOW BEFORE USE OF LIQUID RESOURCES		2,552,095	78,617
MANAGEMENT OF LIQUID RESOURCES			
Transfers from short term deposits		<u>(2,486,034)</u>	<u>(55,000)</u>
INCREASE IN CASH FOR THE YEAR	18	<u>66,061</u>	<u>23,617</u>

The related notes 1 to 21 form part of these financial statements.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2010

1 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of investment properties (see note 1f), and in accordance with applicable accounting standards

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

b) Depreciation

No depreciation has been provided on freehold land or investment properties. 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

Freehold buildings	- 2%
Other tangible fixed assets	- 25%

c) Deferred Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as allowed by FRS 19

d) Pension Costs

Defined benefit scheme

Pension schemes 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 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

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

e) Investments

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

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

1 ACCOUNTING POLICIES (CONTINUED)

f) 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.

2. TURNOVER

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

3. OPERATING LOSS

	2010 £	2009 £
Is stated after charging		
Depreciation	66,131	72,975
Auditors' remuneration - audit	20,000	20,000
- other services	21,323	27,352
(Profit)/loss on disposal of tangible fixed assets	<u>(99)</u>	<u>1,298</u>

4 OTHER INCOME

Rental income	50,000	45,000
Investment income	45,883	88,978
Short term deposit interest	10,337	27,780
Net profit on investment sales	<u>133,991</u>	<u>106,116</u>
	<u>240,211</u>	<u>267,874</u>

5. OTHER FINANCE COST

Interest on pension scheme liabilities	(995,000)	(1,035,000)
Expected return on pension scheme assets	<u>747,000</u>	<u>753,000</u>
	<u>(248,000)</u>	<u>(282,000)</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year (see b below)	-	-
Notional income tax suffered on dividend accumulation	1,659	6,479
Under provision in previous years	<u>(21,700)</u>	<u>(21,554)</u>
	<u>(20,041)</u>	<u>(15,075)</u>
Deferred tax (see note 13)	<u>(173,000)</u>	<u>(15,996)</u>
	<u>(193,041)</u>	<u>(31,071)</u>
b) Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	<u>(258,469)</u>	<u>25,926</u>
(Loss)/profit on ordinary activities multiplied by UK standard rate of corporation tax of 21% (2009 28%)	<u>(54,278)</u>	<u>7,259</u>
Effects of		
Permanent differences	<u>(38,420)</u>	<u>(79,880)</u>
Losses carried back and forward	<u>21,000</u>	<u>67,856</u>
Other timing differences	<u>71,698</u>	<u>4,765</u>
	<u>-</u>	<u>-</u>

Corporation tax losses of approximately £290,000 (2009 £150,000) were being carried forward at 30 September 2010 and the related deferred tax asset has not been recognised in the financial statements

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

7 STAFF COSTS (including executive directors)	2010 £	2009 £
Wages and salaries	2,270,093	2,134,782
Social security costs	222,467	218,949
Other pension costs	198,184	462,017
	<u>2,690,744</u>	<u>2,815,748</u>
FRS 17 pension cost adjustments		
- Current service cost	151,000	89,000
- Contributions	(166,000)	(395,000)
	<u>(15,000)</u>	<u>(306,000)</u>
	<u>2,675,744</u>	<u>2,509,748</u>

Included within other pension costs above are £45,111 (2009 £37,041) of costs in connection with the company's defined contribution stakeholder pension scheme whilst the remaining £153,073 (2009 £424,976) 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>205,769</u>	<u>229,855</u>
Highest paid director		
Aggregate emoluments - including taxable benefits in kind and profit related pay	<u>175,769</u>	<u>173,396</u>

In 2010 one (2009 one) director 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	10	10
Editorial	27	26
Selling and distribution	24	24
	<u>61</u>	<u>60</u>

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

8. TANGIBLE FIXED ASSETS

	Investment Properties £	Freehold Property £	Other Tangible Fixed Assets £	Total £
Cost/Valuation				
1 October 2009	1,250,000	150,543	833,445	2,233,988
Additions	-	-	81,444	81,444
Revaluation	(42,000)	-	-	(42,000)
Disposals	-	-	(39,114)	(39,114)
30 September 2010	1,208,000	150,543	875,775	2,234,318
Depreciation				
1 October 2009	-	132,727	765,276	898,003
Charge for the year	-	2,999	63,132	66,131
Disposals	-	-	(39,114)	(39,114)
30 September 2010	-	135,726	789,294	925,020
Net Book Values				
30 September 2010	1,208,000	14,817	86,481	1,309,298
<i>30 September 2009</i>	<i>1,250,000</i>	<i>17,816</i>	<i>68,169</i>	<i>1,335,985</i>

The directors' open market valuation of the company's investment properties was £1,208,000 (2009 £1,250,000) at 30 September 2010. The properties' historic cost is £1,173,158 (2009 £1,173,158).

The group's defined benefit pension scheme has been granted a first charge over the group's investment properties, the group's freehold property and certain tangible fixed assets owned by the group.

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

9 INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Cost			
1 October 2009	2,725,334	125,000	2,850,334
Additions	13,147	-	13,147
Disposals	(2,738,481)	-	(2,738,481)
30 September 2010	-	125,000	125,000
Provision			
1 October 2009	76,427	-	76,427
Release during year	(76,427)	-	(76,427)
30 September 2010	-	-	-
Net Book Value			
30 September 2010	-	125,000	125,000
30 September 2009	2,648,907	125,000	2,773,907

The market value of the listed investments at 30 September 2010 was £Nil (2009 £2,691,443)
The directors' valuation of the unlisted investments at 30 September 2010 was
£125,000 (2009 £125,000)

10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£
Cost	
1 October 2009 and 30 September 2010	31,091
Provision	
1 October 2009 and 30 September 2010	15,000
Net Book Value	
30 September 2010 and 30 September 2009	16,091

The company's subsidiary undertakings at 30 September 2010 were as follows

<i>Company</i>	<i>Business</i>	<i>Share Type Held</i>	<i>% Held</i>
Jewish Chronicle Newspaper Limited	Newspaper Publisher	"A" shares	100
Boundary Enterprises Limited	Dormant	Ordinary	100
JC Tech Limited	Dormant	Ordinary	100
JC Online Limited	Dormant	Ordinary	100
Jewish Chronicle Pension Trustees Limited	Dormant	Ordinary	100

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

11. DEBTORS	2010 £	2009 £
Group		
Trade debtors	840,110	876,822
Corporation tax	21,502	21,554
Other debtors, prepayments and accrued income	<u>379,109</u>	<u>382,890</u>
	<u>1,240,721</u>	<u>1,281,266</u>
Company		
Trade debtors	840,110	876,822
Corporation tax	11,751	21,554
Other debtors, prepayments and accrued income	<u>379,109</u>	<u>382,890</u>
	<u>1,230,970</u>	<u>1,281,266</u>
 12 CREDITORS amounts falling due within one year		
Group		
Trade creditors	137,536	119,073
Other taxes and social security costs	129,598	117,984
Other creditors	99,831	174,975
Accruals and deferred income	<u>123,787</u>	<u>145,856</u>
	<u>490,752</u>	<u>557,888</u>
Company		
Trade creditors	137,536	119,073
Amounts owed to group undertakings	59,275	184,602
Other taxes and social security costs	129,598	117,984
Other creditors	99,831	174,975
Accruals and deferred income	<u>123,787</u>	<u>145,855</u>
	<u>550,027</u>	<u>742,489</u>
 13 DEFERRED TAXATION		
Group and Company		
Brought forward	(1,332,000)	(594,004)
Debit/(credit) for the year in the statement of total recognised gains and losses	297,000	(722,000)
Transfer to profit and loss account (note 6)	<u>(173,000)</u>	<u>(15,996)</u>
Carried forward	<u>(1,208,000)</u>	<u>(1,332,000)</u>

The deferred taxation balance being carried forward represents a deferred taxation asset arising from the pension liability multiplied by the UK standard rate of corporation tax of 21% (2009 28%)

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

14 SHARE CAPITAL

	2010 £	2009 £
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>

15 SHAREHOLDERS' FUNDS

Group	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
1 October 2008	191,910	95,990	204,842	5,342,025	5,834,767
Profit for the financial year	-	-	-	56,997	56,997
Revaluation	-	-	(100,000)	-	(100,000)
Actuarial loss recognised in pension scheme	-	-	-	(2,604,000)	(2,604,000)
Deferred tax arising on loss in pension scheme	-	-	-	722,000	722,000
Dividends	-	-	-	(40,301)	(40,301)
1 October 2009	<u>191,910</u>	<u>95,990</u>	<u>104,842</u>	<u>3,476,721</u>	<u>3,869,463</u>
Loss for the financial year	-	-	-	(65,428)	(65,428)
Revaluation	-	-	(42,000)	-	(42,000)
Actuarial loss recognised in pension scheme	-	-	-	(760,000)	(760,000)
Deferred tax arising on loss in pension scheme	-	-	-	(297,000)	(297,000)
Dividends	-	-	-	(50,376)	(50,376)
30 September 2010	<u>191,910</u>	<u>95,990</u>	<u>62,842</u>	<u>2,303,917</u>	<u>2,654,659</u>

No dividend in respect of the year was declared subsequent to the year-end

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

15 SHAREHOLDERS' FUNDS (CONTINUED)

Company	Called up Share Capital £	Capital Redemption Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
1 October 2008	191,910	95,990	204,842	5,176,836	5,669,578
Profit for the financial year	-	-	-	53,935	53,935
Revaluation	-	-	(100,000)	-	(100,000)
Actuarial loss recognised in pension scheme	-	-	-	(2,604,000)	(2,604,000)
Deferred tax arising on loss in pension scheme	-	-	-	722,000	722,000
Dividends	-	-	-	(40,301)	(40,301)
1 October 2009	191,910	95,990	104,842	3,308,470	3,701,212
Profit for the financial year	-	-	-	50,147	50,147
Revaluation	-	-	(42,000)	-	(42,000)
Actuarial loss recognised in pension scheme	-	-	-	(760,000)	(760,000)
Deferred tax arising on loss in pension scheme	-	-	-	(297,000)	(297,000)
Dividends	-	-	-	(50,376)	(50,376)
30 September 2010	191,910	95,990	62,842	2,251,241	2,601,983

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Profit and loss account excluding pension liability	6,845,917	6,901,721	6,793,241	6,733,470
Pension liability	(4,542,000)	(3,425,000)	(4,542,000)	(3,425,000)
Profit and loss account including pension liability	2,303,917	3,476,721	2,251,241	3,308,470

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

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

17. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating loss	(327,107)	(139,696)
Depreciation	66,131	72,975
(Profit)/loss on sale of tangible fixed assets	(99)	1,298
Decrease in stocks	896	80
Decrease in debtors	40,493	240,136
Decrease in creditors	(67,136)	(164,937)
Pension adjustment	(15,000)	(306,000)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	<u>(301,822)</u>	<u>(296,144)</u>

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

Increase in cash for the year	66,061	23,617
Increase in short term deposits	<u>2,486,034</u>	<u>55,000</u>
Change in net funds	2,552,095	78,617
Net funds brought forward	<u>2,459,626</u>	<u>2,381,009</u>
Net funds carried forward	<u>5,011,721</u>	<u>2,459,626</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 October 2009 £	Cashflow £	30 September 2010 £
Cash at bank and in hand	33,957	66,061	100,018
Short term deposits	<u>2,425,669</u>	<u>2,486,034</u>	<u>4,911,703</u>
	<u>2,459,626</u>	<u>2,552,095</u>	<u>5,011,721</u>

The group's defined benefit pension scheme has been granted a first charge over the group's short term deposits

20 ULTIMATE PARENT UNDERTAKING

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. The Kessler Foundation prepares consolidated financial statements that are publicly available.

JEWISH CHRONICLE LIMITED
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30 SEPTEMBER 2010

21. PENSION COSTS

The company operates a defined benefit pension scheme, the Jewish Chronicle Limited 1973 Retirement Benefits Scheme. A full valuation was undertaken at 1 October 2009 and updated to 30 September 2010 by a qualified independent actuary. The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

	2010 %	2009 %	2008 %
Discount rate	5.00	5.50	7.00
Expected long-term rate of return on scheme assets	4.50	5.60	5.90
Increase in salaries	4.25	4.25	4.50
Inflation assumption	3.25	3.25	3.50
Pension increases	3.25	3.25	3.50

The underlying mortality assumption is based upon the standard table known as 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% (2009: 1%).

Employee Benefit Obligations

The amounts recognised in the balance sheet at 30 September 2010 were as follows:

	2010 £'000	2009 £'000
Present value of scheme liabilities	(20,023)	(18,560)
Market value of scheme assets	14,273	13,803
Deficit in the scheme	(5,750)	(4,757)
Related deferred tax asset at 21% (2009: 28%)	1,208	1,332
Net pension liability	(4,542)	(3,425)

The amounts recognised in the profit and loss account for the year ending 30 September 2010 were as follows:

	2010 £'000	2009 £'000
Current service cost	151	89
Interest on scheme liabilities	995	1,035
Expected return on scheme assets	(747)	(753)
	399	371

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

21 PENSION COSTS (CONTINUED)

Changes in the present value of the scheme liabilities for the year ending 30 September 2010 were as follows

	2010 £'000	2009 £'000
Present value of scheme liabilities at beginning of year	18,560	15,313
Current service cost	151	89
Employee contributions	80	89
Interest cost	995	1,035
Actuarial losses	1,424	3,275
Benefits paid	(1,187)	(1,241)
	<u>20,023</u>	<u>18,560</u>
Present value of scheme liabilities at end of year		

Changes in the fair value of the scheme assets for the year ending 30 September 2010 were as follows

	2010 £'000	2009 £'000
Market value of scheme assets at beginning of year	13,803	13,136
Expected return	747	753
Actuarial gains	664	671
Benefits paid	(1,187)	(1,241)
Contributions paid by the company	166	395
Employee contributions	80	89
	<u>14,273</u>	<u>13,803</u>
Market value of scheme assets at end of year		

The contributions to be paid by the company for the forthcoming year ending 30 September 2011 have yet to be agreed

The major categories of scheme assets as a percentage of total scheme assets for the year ending 30 September 2010 were as follows

	2010 %	2009 %
Equities and property	33	36
Bonds	65	62
Cash	2	2
	<u>100</u>	<u>100</u>

The expected long-term rate of return on the scheme assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and property of 6.75% (2009 7.25%), an expected rate of return on bonds of 4.3% (2009 4.75%) and an expected rate of return on cash of 0.25% (2009 0.25%)

JEWISH CHRONICLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
30 SEPTEMBER 2010

21 PENSION COSTS (CONTINUED)

The amounts recognised in the statement of total recognised gains and losses ("STRGL") during the year ending 30 September 2010 were as follows

	2010 £'000	2009 £'000
Actuarial return less expected return on scheme assets	664	671
Experience gains and losses arising on scheme liabilities	55	(180)
Changes in assumptions underlying the present value of scheme liabilities	<u>(1,479)</u>	<u>(3,095)</u>
Actuarial loss recognised in STRGL	<u>(760)</u>	<u>(2,604)</u>

Cumulative amount of actuarial gains and losses recognised in STRGL for the year ending 30 September 2010 were as follows

	2010 £'000	2009 £'000
Cumulative actuarial loss at beginning of year	(6,532)	(3,928)
Recognised during year	<u>(760)</u>	<u>(2,604)</u>
Cumulative actuarial loss at end of year	<u>(7,292)</u>	<u>(6,532)</u>

Movements in the deficit for the year ending 30 September 2010 were as follows

	2010 £'000	2009 £'000
Deficit in scheme at beginning of year	(4,757)	(2,177)
Expenses recognised in profit and loss account	(399)	(371)
Contributions paid by the company	166	395
Actuarial losses	<u>(760)</u>	<u>(2,604)</u>
Deficit in scheme at end of year	<u>(5,750)</u>	<u>(4,757)</u>

Five year summary	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Present value of scheme liabilities	20,023	18,560	15,313	16,299	15,300
Market value of scheme assets	<u>14,273</u>	<u>13,803</u>	<u>13,136</u>	<u>15,068</u>	<u>14,573</u>
Deficit in the scheme	<u>5,750</u>	<u>4,757</u>	<u>2,177</u>	<u>1,231</u>	<u>727</u>
Actual return less expected return on scheme assets	<u>664</u>	<u>671</u>	<u>(2,520)</u>	<u>47</u>	<u>635</u>
Experience gains and losses arising on scheme liabilities	<u>55</u>	<u>(180)</u>	<u>(417)</u>	<u>(511)</u>	<u>(71)</u>
Changes in the assumptions underlying the present value of scheme liabilities	<u>(1,479)</u>	<u>(3,095)</u>	<u>1,945</u>	<u>(38)</u>	<u>(7)</u>