Company Registration No. 95587 (England and Wales)

JEWISH CHRONICLE LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

JEWISH CHRONICLE LIMITED

COMPANY INFORMATION

Directors	S Grabiner R J Harrod
Company number	95587
Registered office	28 St. Albans Lane London NW11 7QE
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	National Westminster Bank PLC 135 Bishopsgate London EC2M 3UR

JEWISH CHRONICLE LIMITED

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JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present their annual report and financial statements for the year ended 30 June 2018.

Principal activities

The principal activity of the company and its subsidiaries continues to be the publication of the Jewish Chronicle newspaper (The JC) and thejc.com the digital operation.

Times are tough for newspaper publishers with falling sales, readership and advertising revenue across the whole industry. The Jewish Chronicle is not exempt from these global trends, both the circulation of the paper and the advertising revenue continue to fall.

The group has invested in technology, content and commercial operations to support its digital platform and it is hopeful revenue from the digital operation will grow in the coming years and help offset losses in the traditional newspaper publishing activity.

Overall in 2018 the group operated at a loss of £1,570,402 before actuarial gains on the pension scheme. This compares to a loss in the previous 12 months period of £1,186,852

The Board does not regard trading at an operating loss as an acceptable position and the Directors are putting in place revenue building and cost reducing measures and hope to return the company to an operating positive position in due course.

Another challenge facing the group was the deficit in the Defined benefit pension scheme.

In August 2018, the pension trustee liquidated all its investments and entered into a buy in policy with Scottish Widows, covering the Pension Protection Fund (PPF) equivalent benefits as at 30 September 2018. Scottish Widows is now contractually obliged to provide such benefits.

The sum of around £1.1m held in escrow for the benefit of the scheme, was released to the scheme trustee on 31 August 2018 to enable it to complete the buy in, settle any true-up adjustments and assist with a future full buy out with Scottish Widows.

Winding up of the scheme was effected from 29 September 2018.

The Trustee granted a period of grace before it would seek to enforce the section 75 debt, to allow the group to raise funds.

A consortium of donors is raising funds which will be donated to the Kessler Foundation. The Kessler Foundation will loan the funds to the Jewish Chronicle. A proportion of the funds will be paid to the pension scheme and the balance of the Section 75 debt will be compromised. The balance of the funds will be retained by the Jewish Chronicle as working capital.

A Clearance application has been submitted to The Pensions Regulator and clearance was given on 23 May 2019.

Accordingly the accounts have been prepared on a going concern basis and no adjustments have been made to the financial statements relating to the recoverability and classification of the assets or the amounts and classification of liabilities that might be necessary should the group not be able to continue as a going concern.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Grabiner	
G A McCarthy	(Resigned 4 December 2017)
R J Harrod	
S I Pollard	(Resigned 8 June 2018)
S Ebner	(Resigned 31 May 2018)
D Rose	(Resigned 8 June 2018)

Results and dividends
The results for the year are set out on page 6.

No dividends were paid. The directors do not recommend payment of a dividend for the period.

Auditor
In accordance with the company's articles, a resolution proposing that H W Fisher & Company be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

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R J Harrod
Director
Date: ...17./6./19....

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JEWISH CHRONICLE LIMITED

Opinion

We have audited the financial statements of Jewish Chronicle Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 1.3 to the financial statements, which indicates that the group incurred a loss of £1,570,402 during the year ended 30 June 2018 and, as of that date, the group's defined pension liability was £2,647,000, exceeding the group's other net assets by £1,360,281. The group's ability to continue as a going concern is dependent on a consortium of donors raising sufficient funds to allow the debts to the pension scheme to be cleared and to fund the group's activities until these become profitable. These matters, along with other matters described in note 1.3, indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JEWISH CHRONICLE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

..................27/6/19

JEWISH CHRONICLE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Year ended 30 June 2018	Year ended 30 June 2017
		£	£
Turnover		3,337,678	3,418,122
Cost of sales		(1,737,722)	(1,928,046)
Gross profit		1,599,956	1,490,076
Distribution costs		(869,315)	(885,844)
Administrative expenses		(2,212,317)	(1,707,201)
Operating loss		(1,481,676)	(1,102,969)
Interest receivable and similar income		5,274	6,117
Interest payable and similar expenses		(94,000)	(90,000)
Loss before taxation		(1,570,402)	(1,186,852)
Tax on loss		-	-
Loss for the financial year		(1,570,402)	(1,186,852)
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension schemes		1,274,000	(27,000)
Total comprehensive loss for the year		(296,402)	(1,213,852)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

JEWISH CHRONICLE LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Total intangible assets	4		-		346,393
Tangible assets	5		76,645		140,754
Current assets					
Stocks	8	-		7,792	
Debtors	9	463,836		649,286	
Cash at bank and in hand		284,591		749,834	
		748,427		1,406,912	
Creditors: amounts falling due within one year	10	(672,656)		(691,144)	
Net current assets			75,771		715,768
Total assets less current liabilities			152,416		1,202,915
Net pension obligations					
Escrow account for pension liabilities	11	1,134,303		1,129,206	
Defined benefit pension liability		(2,647,000)		(3,396,000)	
			(1,512,697)		(2,266,794)
Net liabilities			(1,360,281)		(1,063,879)
Capital and reserves					
Called up share capital	13		191,910		191,910
Capital redemption reserve			95,990		95,990
Profit and loss reserves			(1,648,441)		(1,352,039)
Equity attributable to owners of the parent company			(1,360,541)		(1,064,139)
Non-controlling interests			260		260
			(1,360,281)		(1,063,879)

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 17/6/19 and are signed on its behalf by:

R J Harrod
Director

JEWISH CHRONICLE LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	2018 £	2017 as restated £	2017 as restated £
Fixed assets					
Investments	6		1		1
Current assets					
Debtors	9	81,767		1,007,223	
Cash at bank and in hand		284,591		749,834	
		366,358		1,757,057	
Net current assets			366,358		1,757,057
Total assets less current liabilities			366,359		1,757,058
Net pension obligations					
Escrow account for pension liabilities	11	1,134,303		1,129,206	
Defined benefit pension liability		(2,647,000)		(3,396,000)	
			(1,512,697)		(2,266,794)
Net liabilities			(1,146,338)		(509,736)
Capital and reserves					
Called up share capital	13		191,910		191,910
Capital redemption reserve			95,990		95,990
Profit and loss reserves			(1,434,238)		(797,636)
Total equity			(1,146,338)		(509,736)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £636,602 (2017 - loss £435,446)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17/6/19 and are signed on its behalf by:

R J Harrod
Director

Company Registration No. 00095587

JEWISH CHRONICLE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Capital redemption reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£
As restated for the period ended 30 June 2017:						
Balance at 1 July 2016	191,910	95,990	(138,187)	149,713	260	149,973
As restated	191,910	95,990	(138,187)	149,713	260	149,973
Year ended 30 June 2017:						
Loss for the year	-	-	(1,186,852)	(1,186,852)	-	(1,186,852)
Other comprehensive income:						-
Actuarial losses on defined benefit plans	-	-	(27,000)	(27,000)	-	(27,000)
Total comprehensive loss for the year	-	-	(1,213,852)	(1,213,852)	-	(1,213,852)
Balance at 30 June 2017	191,910	95,990	(1,352,039)	(1,064,139)	260	(1,063,879)
Year ended 30 June 2018:						
Loss for the year	-	-	(1,570,402)	(1,570,402)	-	(1,570,402)
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	1,274,000	1,274,000	-	1,274,000
Total comprehensive loss for the year	-	-	(296,402)	(296,402)	-	(296,402)
Balance at 30 June 2018	191,910	95,990	(1,648,441)	(1,360,541)	260	(1,360,281)

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 30 June 2017:				
Balance at 1 July 2016	191,910	95,990	(780,176)	(492,276)
Effect of change in accounting policy	-	-	417,986	417,986
Balance at 1 July 2016	191,910	95,990	(362,190)	(74,290)
Year ended 30 June 2017:				
Loss for the year	-	-	(408,446)	(408,446)
Other comprehensive income:				
Actuarial losses on defined benefit plans	-	-	(27,000)	(27,000)
Total comprehensive loss for the year	-	-	(435,446)	(435,446)
Balance at 30 June 2017	191,910	95,990	(797,636)	(509,736)
Year ended 30 June 2018:				
Loss for the year	-	-	(1,910,602)	(1,910,602)
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	1,274,000	1,274,000
Total comprehensive income for the year	-	-	(636,602)	(636,602)
Balance at 30 June 2018	191,910	95,990	(1,434,238)	(1,146,338)

1 Accounting policies

Company information

Jewish Chronicle Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is 28 St Albans Lane, London. NW11 7QE.

The group consists of Jewish Chronicle Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. There were no material departures from that standard.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Jewish Chronicle Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). The operating income and expenditure of the group is accounted for in the subsidiary company Jewish Chronicle Newspapers Limited. The costs of the property and the defined benefit pension scheme are accounted for in Jewish Chronicle Limited.

All financial statements are made up to 30 June 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 Accounting policies **(Continued)**

1.3 Going concern

As stated in the directors' report, the group operated at a loss of £1,570,402 before actuarial gains on the pension scheme. This compares to a loss in the previous 12 months period of £1,186,852.

Another challenge facing the group was the deficit in the Defined benefit pension scheme.

In August 2018, the pension trustee liquidated all its investments and entered into a buy in policy with Scottish Widows, covering the Pension Protection Fund (PPF) equivalent benefits as at 30 September 2018. Scottish Widows is now contractually obliged to provide such benefits.

The sum of around £1.1m held in escrow for the benefit of the scheme, was released to the scheme trustee on 31 August 2018 to enable it to complete the buy in, settle any true-up adjustments and assist with a future full buy out with Scottish Widows.

Winding up of the scheme was effected from 29 September 2018.

The Trustee granted a period of grace before it would seek to enforce the section 75 debt, to allow the group to raise funds.

A consortium of donors is raising funds which will be donated to the parent entity, The Kessler Foundation. The Kessler Foundation will then loan the funds to the Jewish Chronicle. A proportion of the funds will be paid to the pension scheme and the balance of the Section 75 debt will be compromised. The balance of the funds will be retained by the Jewish Chronicle as working capital.

A Clearance application has been submitted to The Pensions Regulator and clearance was given on 23 May 2019.

Although there can be no certainty as to the outcome of these actions, the directors are confident a satisfactory outcome will be achieved and the group will be able to continue to trade as a going concern. Accordingly the financial statements have been prepared on a going concern basis and no adjustments have been made to the financial statements relating to the recoverability and classification of the assets or the amounts and classification of liabilities that might be necessary should the group not be able to continue as a going concern.

1.4 Turnover

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets - Website costs

Amortisation is recognised so as to write off the cost or valuation of website costs less their residual values over their useful lives on the following bases:

Website development costs	33.33% straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.9 Stocks

Work in progress is valued at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1 Accounting policies **(Continued)**

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Defined contribution scheme:
Company contributions to the company's defined contribution stakeholder pension scheme are charged to the profit and loss account as incurred. The assets of the scheme are held separately from those of the company.

Defined benefit scheme:
The cost of providing benefits under defined benefit plans is determined using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

No significant judgements, estimates or assumptions were made.

3 Employees

The average monthly number of persons (including directors), including full and part time staff, employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Total employees	47	49	26	28

4 Intangible fixed assets

Group	Website development costs
	£
Cost	
At 1 July 2017	519,590
Additions	7,432
At 30 June 2018	527,022
Amortisation and impairment	
At 1 July 2017	173,197
Amortisation charged for the year	176,661
Impairment losses	177,164
At 30 June 2018	527,022
Carrying amount	
At 30 June 2018	-
At 30 June 2017	346,393

The impairment loss for the year has been recognised within administrative expenses in the Statement of Comprehensive Income.

5 Tangible fixed assets

Group	Fixtures, Fittings & Equipment
	£
Cost	
At 1 July 2017	805,288
Additions	6,532
At 30 June 2018	811,820
Depreciation and impairment	
At 1 July 2017	664,534
Depreciation charged in the Period	70,641
At 30 June 2018	735,175
Carrying amount	
At 30 June 2018	76,645
At 30 June 2017	140,754

6 Fixed asset investments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Investments	-	-	1	1

7 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
JC Online Limited	28 St. Albans Lane, London, NW11 7QE	Dormant	Ordinary		100.00
Jewish Chronicle Newspaper Limited	28 St. Albans Lane, London, NW11 7QE	Publication of Jewish Chroncile Newspaper	Ordinary	100.00	
Jewish Chronicle Pension Trustees Limited	28 St. Albans Lane, London, NW11 7QE	Dormant	Ordinary	100.00	

8 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Stocks	-	7,792	-	-

9 Debtors

	Group 2018	2017	Company 2018	2017
Amounts falling due within one year:	£	£	£	£ as restated
Trade debtors	283,149	397,802	-	-
Amounts owed by group undertakings	-	-	-	925,456
Other debtors	108,133	189,407	81,767	81,767
Prepayments and accrued income	72,554	62,077	-	-
	463,836	649,286	81,767	1,007,223

10 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £ as restated
Trade creditors	336,223	369,858	-	-
Other taxation and social security	68,021	75,347	-	-
Other creditors	268,412	245,939	-	-
	672,656	691,144	-	-

11 Escrow account for pension liabilities

	Group 2018 £	2017 £	Company 2018 £	2017 £
Escrow account for pension liabilities	1,134,303	1,129,206	1,134,303	1,129,206

This represents cash held on trust within an escrow account under the joint control of the solicitors of the Jewish Chronicle Pension Trustees Limited and the Jewish Chronicle Limited. These funds were transferred to the pension scheme on 31 August 2018.

12 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	100,442	99,691

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits based on their final salary and length of service on attainment of a retirement age of 65. No other post retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30th June 2018 by Cartwright Group Ltd, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions	2018 %	2017 %
Discount rate	2.7	2.6
Expected rate of increase of pensions in payment	3.2	3.3
RPI assumption	3.3	3.4
CPI assumption	2.3	2.4

Mortality assumptions	2018	2017
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	23	23
- Females	25	25
Retiring in 20 years		
- Males	25	25
- Females	27	26

Amounts recognised in the profit and loss account	2018 £	2017 £
Net interest on defined benefit liability/(asset)	94,000	90,000
Other costs and income	431,000	122,000
Total costs	525,000	212,000

12 Retirement benefit schemes (Continued)

Amounts taken to other comprehensive income	2018 £	2017 £
Actual return on scheme assets	(637,000)	(3,106,000)
Less: calculated interest element	599,000	601,000
Return on scheme assets excluding interest income	(38,000)	(2,505,000)
Actuarial changes related to obligations	(1,236,000)	2,532,000

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Present value of defined benefit obligations	25,409,000	27,347,000	25,409,000	27,347,000
Fair value of plan assets	(22,762,000)	(23,951,000)	(22,762,000)	(23,951,000)
Deficit in scheme	2,647,000	3,396,000	2,647,000	3,396,000

Movements in the present value of defined benefit obligations	Group 2018 £	Company 2018 £
Liabilities at 1 July 2017	27,347,000	27,347,000
Benefits paid	(1,395,000)	(1,395,000)
Actuarial gains and losses	(1,236,000)	(1,236,000)
Interest cost	693,000	693,000
At 30 June 2018	25,409,000	25,409,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets	Group 2018 £	Company 2018 £
Fair value of assets at 1 July 2017	23,951,000	23,951,000
Interest income	599,000	599,000
Return on plan assets (excluding amounts included in net interest)	38,000	38,000
Benefits paid	(1,395,000)	(1,395,000)
Other	(431,000)	(431,000)
At 30 June 2018	22,762,000	22,762,000

12 Retirement benefit schemes **(Continued)**

Of the fair value of scheme assets above, £1,134,303 (2017: £1,129,206) is cash held on trust within an escrow account under the joint control of the solicitors of the Jewish Chronicle Pension Trustees Limited and the Jewish Chronicle Limited. These funds were transferred to the pension scheme on 31 August 2018.

Fair value of plan assets at the reporting period end

	Group 2018 £	2017 £	Company 2018 £	2017 £
Equity instruments	-	4,311,180	-	4,311,180
Alternatives	-	718,530	-	718,530
Bonds	15,478,160	15,568,150	15,478,160	15,568,150
Cash	7,283,840	3,353,140	7,283,840	3,353,140
	22,762,000	23,951,000	22,762,000	23,951,000

13 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
190,000 Ordinary shares of 1p each	1,900	1,900
190,010 Non-voting shares of £1 each	190,010	190,010
	191,910	191,910

14 Controlling party

The Kessler Foundation, a company which is limited by guarantee and a registered charity, is the parent undertaking of the smallest group for which group accounts are drawn up, and of which the company is a member. The registered office address of The Kessler Foundation is 28, St Albans Lane, London, NW11 7QE.

15 Prior year adjustment

As part of the group's negotiations to obtain funding, advice was sought regarding the presentation of the accounts of Jewish Chronicle Limited and Jewish Chronicle Newspaper Limited. This clarified that the trading company was Jewish Chronicle Newspaper Limited and that as such all trading transactions, assets and liabilities should be included in the accounts of Jewish Chronicle Newspaper Limited with the exception of those relating to the rented property and the defined benefit pension scheme.

Previously transactions relating to administration costs, assets and liabilities were recorded in the accounts of Jewish Chronicle Limited. A prior year adjustment has been made to correct this error, as set out below:

15 Prior year adjustment **(Continued)**

Changes to the balance sheet - company

	At 30 June 2016			At 30 June 2017		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
	£	£	£	£	£	£
Fixed assets						
Other intangibles	-	-	-	346,393	(346,393)	-
Tangible assets	325,203	(325,203)	-	140,754	(140,754)	-
Investments	1	-	1	1	-	1
	325,204	(325,203)	1	487,148	(487,147)	1
Current assets						
Stocks	4,631	(4,631)	-	7,792	(7,792)	-
Debtors due within one year	977,730	(142,679)	835,051	853,794	153,429	1,007,223
Bank and cash	1,540,244	-	1,540,244	749,834		749,834
	2,522,605	(147,310)	2,375,295	1,611,420	145,637	1,757,057
Creditors due within one year						
Taxation	(65,096)	65,096	-	(75,347)	75,347	-
Other creditors	(825,403)	825,403	-	(615,797)	615,797	-
	(890,499)	(890,499)	-	(691,144)	(691,144)	-
Total assets less current liabilities	1,957,310	417,986	2,375,296	1,407,424	349,634	1,757,058
Net pension obligations						
Pension obligations	(3,157,000)	-	(3,157,000)	(3,396,000)	-	(3,396,000)
Escrow account for pension liabilities	1,125,400	-	1,125,400	1,129,206	-	1,129,206
	(2,031,600)	-	(2,031,600)	(2,266,794)	-	(2,266,794)
Net liabilities	(74,290)	417,986	343,696	(859,370)	349,634	(509,736)
Capital and reserves						
Share capital	191,910	-	191,910	191,910	-	191,910
Capital redemption	95,990	-	95,990	95,990	-	95,990
Profit and loss	(362,190)	417,986	55,796	(1,147,270)	349,634	(797,636)
Total equity	(74,290)	417,986	343,696	(859,370)	349,634	(509,736)

15 Prior year adjustment **(Continued)**

Changes to the profit and loss account - company

	Period ended 30 June 2017		
	As previously reported	**Adjustment**	**As restated**
	£	**£**	**£**
Turnover	10,681	(10,681)	-
Distribution costs	(885,844)	885,844	-
Administrative expenses	(1,707,201)	1,382,638	(324,563)
Management charge	1,908,167	(1,908,167)	-
Operating profit	(674,197)	349,634	(324,563)
Interest receivable and similar income	6,117	-	6,117
Interest payable and similar expenses	(90,000)	-	(90,000)
Loss before taxation	(758,080)	349,634	(408,446)
Taxation	-	-	-
Loss for the financial period	(758,080)	349,634	(408,446)