

Company Registration No. 95587 (England and Wales)

JEWISH CHRONICLE LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



JEWISH CHRONICLE LIMITED

COMPANY INFORMATION

Directors	S Grabiner R J Harrod S I Pollard S Ebner D Rose	(Appointed 1 September 2016)
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 2017

The directors present their annual report and financial statements for the year ended 30 June 2017.

Principal activities and review of the business

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, although this was a better performance than in the previous year.

The group has invested heavily 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 2017 the group operated at loss of £1,102,969. This compares to a loss in the previous 9 month period of £460,352.

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 is the deficit in the defined benefit pension scheme.

Despite the strong levels of investment return that have been achieved on the Scheme's assets and the large levels of contributions made over the last 5 years by the group, the Scheme remains in an underfunded position. The estimated deficit at 30 June 2017 was £3,396,000.

We have been liaising with the Scheme's Trustees and the Pensions Regulator over the future of the pension scheme. The Trustees have been asked to put forward a proposal to the Company and Pensions Regulator. As a first stage, the trustees have instructed the Scheme advisors to approach the insurance market to understand how much of members' benefits can be secured using the assets in the Scheme. This will then inform us as to the options that can be made available going forward.

Although at present we have no certainty as to the outcome of these discussions, the directors are confident a satisfactory outcome will be achieved. 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	
C Hay	(Resigned 26 August 2016)
S I Pollard	
S Ebner	
D Rose	(Appointed 1 September 2016)

Results and dividends

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

JEWISH CHRONICLE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

Auditor

H W Fisher & Company were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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



R J Harrod

Director

Date: 28/3/18

JEWISH CHRONICLE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

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;
- 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 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.

JEWISH CHRONICLE LIMITED

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 2017 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 2017 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.

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 in the financial statements, which indicates that the group incurred an operating loss of £1,102,969 during the year ended 30 June 2017 and, as of that date, the group's defined benefit pension liability was £3,396,000, exceeding the group's other net assets by £1,063,879. 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

JEWISH CHRONICLE LIMITED

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.

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.

David Breger (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

29 March 2018

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

JEWISH CHRONICLE LIMITED

GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30 June 2017 £	Period ended 30 June 2016 £
Turnover	2	3,418,122	2,951,115
Cost of sales		(1,928,046)	(1,234,968)
Gross profit		1,490,076	1,716,147
Distribution costs		(885,844)	(785,056)
Administrative expenses		(1,707,201)	(1,391,443)
Operating loss		(1,102,969)	(460,352)
Interest receivable and similar income	5	6,117	10,222
Interest on net pension scheme liability		(90,000)	(48,000)
Loss before taxation		(1,186,852)	(498,130)
Taxation		-	-
Loss for the financial year		(1,186,852)	(498,130)
Other comprehensive income			
Actuarial loss on defined benefit pension schemes		(27,000)	(1,352,000)
Total comprehensive income for the year		(1,213,852)	(1,850,130)

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 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	6		346,393		-
Tangible assets	7		140,754		325,203
			<u>487,147</u>		<u>325,203</u>
Current assets					
Stocks	10	7,792		4,631	
Debtors	11	649,286		977,731	
Cash at bank and in hand		749,834		1,540,244	
		<u>1,406,912</u>		<u>2,522,606</u>	
Creditors: amounts falling due within one year	12	<u>(691,144)</u>		<u>(666,236)</u>	
Net current assets			<u>715,768</u>		<u>1,856,370</u>
Total assets less current liabilities			<u>1,202,915</u>		<u>2,181,573</u>
Net pension obligations					
Escrow account for pension liabilities	13	1,129,206		1,125,400	
Defined benefit pension liability		<u>(3,396,000)</u>		<u>(3,157,000)</u>	
			<u>(2,266,794)</u>		<u>(2,031,600)</u>
Net liabilities			<u>(1,063,879)</u>		<u>149,973</u>
Capital and reserves					
Called up share capital	15		191,910		191,910
Capital redemption reserve			95,990		95,990
Profit and loss reserves			<u>(1,352,039)</u>		<u>(138,187)</u>
Equity attributable to owners of the parent company			<u>(1,064,139)</u>		<u>149,713</u>
Non-controlling interests			<u>260</u>		<u>260</u>
			<u>(1,063,879)</u>		<u>149,973</u>

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 28/3/18 and are signed on its behalf by:


 R J Harrod
 Director

JEWISH CHRONICLE LIMITED

COMPANY BALANCE SHEET

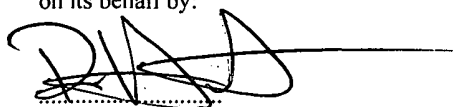
AS AT 30 JUNE 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	6		346,393		-
Tangible assets	7		140,754		325,203
Investments	8		1		1
			<u>487,148</u>		<u>325,204</u>
Current assets					
Stocks	10	7,792		4,631	
Debtors	11	853,794		977,730	
Cash at bank and in hand		749,834		1,540,244	
			<u>1,611,420</u>		<u>2,522,605</u>
Creditors: amounts falling due within one year	12	(691,144)		(890,499)	
Net current assets			<u>920,276</u>		<u>1,632,106</u>
Total assets less current liabilities			<u>1,407,424</u>		<u>1,957,310</u>
Net pension obligations					
Escrow account for pension liabilities	13	1,129,206		1,125,400	
Defined benefit pension liability	14	(3,396,000)		(3,157,000)	
			<u>(2,266,794)</u>		<u>(2,031,600)</u>
Net liabilities			<u>(859,370)</u>		<u>(74,290)</u>
Capital and reserves					
Called up share capital	15		191,910		191,910
Capital redemption reserve			95,990		95,990
Profit and loss reserves			(1,147,270)		(362,190)
Total equity			<u>(859,370)</u>		<u>(74,290)</u>

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 £758,080 (2016 - £558,515 loss).

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 28/3/18 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 2017

	Share capital	Capital redemption reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£
Balance at 1 October 2015	191,910	95,990	1,711,943	1,999,843	260	2,000,103
Period ended 30 June 2016:						
Loss for the period	-	-	(498,130)	(498,130)	-	(498,130)
Other comprehensive income:						
Actuarial losses on defined benefit plans	-	-	(1,352,000)	(1,352,000)	-	(1,352,000)
Total comprehensive income for the period	-	-	(1,850,130)	(1,850,130)	-	(1,850,130)
Balance at 30 June 2016	191,910	95,990	(138,187)	149,713	260	149,973
Period ended 30 June 2017:						
Loss for the period	-	-	(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 income for the period	-	-	(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)

JEWISH CHRONICLE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2015	191,910	95,990	1,548,325	1,836,225
Period ended 30 June 2016:				
Loss for the period	-	-	(558,515)	(558,515)
Other comprehensive income:				
Actuarial losses on defined benefit plans	-	-	(1,352,000)	(1,352,000)
Total comprehensive income for the period	-	-	(1,910,515)	(1,910,515)
Balance at 30 June 2016	191,910	95,990	(362,190)	(74,290)
Period ended 30 June 2017:				
Loss for the period	-	-	(758,080)	(758,080)
Other comprehensive income:				
Actuarial losses on defined benefit plans	-	-	(27,000)	(27,000)
Total comprehensive income for the period	-	-	(785,080)	(785,080)
Balance at 30 June 2017	191,910	95,990	(1,147,270)	(859,370)

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2017. 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.

1.3 Going concern

As stated in the directors' report, the group incurred an operating loss of £1,102,969 during the year ended 30 June 2017 and, as of that date, the group's defined benefit pension liability was £3,396,000, exceeding its other net assets by £1,063,879. The directors have been liaising with the Trustees of the pension scheme and the Pensions Regulator over the scheme's future. The Trustees have instructed the Scheme advisors to assess how much of the members' benefits can be secured using the assets in the Scheme so that all options can be identified. Although there can be no certainty as to the outcome of these discussions, the directors are confident a satisfactory outcome will be achieved. 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.

1.4 Turnover

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

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Amortisation 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:

Website development costs	33% straight line
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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
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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

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet,

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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.9 Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

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.

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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 and deferred tax.

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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

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.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.18 Comparatives

The current period figures relate to the year ended 30 June 2017. The comparative figures are for the 9 month period from 1 October 2015 to 30 June 2016.

2 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017	2016
	£	£
Turnover		
Circulation - sales	523,506	417,544
Circulation - subscriptions	407,986	323,696
Advertising income	2,475,949	2,202,748
Royalties and sundry income	10,681	7,127
	<u>3,418,122</u>	<u>2,951,115</u>
Other significant revenue		
Interest income	<u>6,117</u>	<u>10,222</u>

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 2017	2016	Company 2017	2016
	Number	Number	Number	Number
Total employees	49	50	28	28
	<u>49</u>	<u>50</u>	<u>28</u>	<u>28</u>

Their aggregate remuneration comprised:

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Wages and salaries	1,812,194	1,334,108	842,810	813,893
Social security costs	197,410	143,672	89,679	66,656
Pension costs	115,687	84,543	46,989	37,126
	<u>2,125,291</u>	<u>1,562,323</u>	<u>979,478</u>	<u>917,675</u>

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

4	Directors' remuneration	2017	2016
		£	£
	Remuneration paid to directors	458,218	305,258
		<u> </u>	<u> </u>
5	Interest receivable and similar income	2017	2016
		£	£
	Other interest receivable and similar income	6,117	10,222
		<u> </u>	<u> </u>
6	Intangible fixed assets		
	Group and company	Website development costs	
			£
	Cost		
	At 1 July 2016		-
	Additions		354,456
	Transfers		165,134
			<u> </u>
	At 30 June 2017		519,590
			<u> </u>
	Amortisation and impairment		
	At 1 July 2016		-
	Amortisation charged for the year		173,197
			<u> </u>
	At 30 June 2017		173,197
			<u> </u>
	Carrying amount		
	At 30 June 2017		346,393
			<u> </u>
	At 30 June 2016		-
			<u> </u>

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

7 Tangible fixed assets

Group and company	Fixtures, Fittings & Equipment
	£
Cost	
At 1 July 2016	972,745
Additions	52,722
Transfers	(220,179)
At 30 June 2017	<u>805,288</u>
Depreciation and impairment	
At 1 July 2016	647,542
Depreciation charged in the Period	72,037
Transfers	(55,045)
At 30 June 2017	<u>664,534</u>
Carrying amount	
At 30 June 2017	<u>140,754</u>
At 30 June 2016	<u><u>325,203</u></u>

8 Fixed asset investments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments	-	-	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 July 2016 and 30 June 2017	<u>1</u>
Carrying amount	
At 30 June 2017	<u>1</u>
At 30 June 2016	<u><u>1</u></u>

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

9 Subsidiaries

Details of the company's subsidiaries at 30 June 2017 are as follows:

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

10 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Work in progress	7,792	4,631	7,792	4,631

11 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	397,802	648,470	397,802	648,470
Amounts owed by group undertakings	-	1	204,508	-
Other debtors	189,407	318,669	189,407	318,669
Prepayments and accrued income	62,077	10,591	62,077	10,591
	<u>649,286</u>	<u>977,731</u>	<u>853,794</u>	<u>977,730</u>

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

12 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	369,858	196,623	369,858	196,623
Amounts due to group undertakings	-	-	-	224,263
Other taxation and social security	75,347	65,096	75,347	65,096
Other creditors	245,939	404,517	245,939	404,517
	<u>691,144</u>	<u>666,236</u>	<u>691,144</u>	<u>890,499</u>

13 Escrow account for pension liabilities

	Group 2017 £	2016 £	Company 2017 £	2016 £
Escrow account for pension liabilities	1,129,206	1,125,400	1,129,206	1,125,400

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. The provisions of the escrow deed dated 14 January 2014 require an amount to be paid to the pension scheme trustees being the lower of the amount of the escrow account and the amount which when combined with the other assets of the scheme will, in the opinion of the actuary, enable the scheme to secure scheme benefits in full on the earlier of the end date of the deed (13 January 2021) or an insolvency event.

14 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	99,691	69,973

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 2017 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.

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

14 Retirement benefit schemes

(Continued)

	2017	2016
<i>Key assumptions</i>	%	%
Discount rate	2.6	2.8
Expected rate of increase of pensions in payment	3.3	2.95
Retail Prices Index	3.4	3.0
Consumer Prices Index	2.4	2.0
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2017	2016
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	23	23
- Females	25	24
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	25	25
- Females	26	26
	<u> </u>	<u> </u>
	2017	2016
<i>Amounts recognised in the profit and loss account</i>	£	£
Net interest on defined benefit liability	90,000	48,000
Other costs and income	122,000	11,000
	<u> </u>	<u> </u>
Total costs	212,000	59,000
	<u> </u>	<u> </u>
	2017	2016
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	(3,106,000)	(292,000)
Less: calculated interest element	601,000	598,000
	<u> </u>	<u> </u>
Return on scheme assets excluding interest income	(2,505,000)	306,000
Actuarial changes related to obligations	2,532,000	1,046,000
	<u> </u>	<u> </u>
Total costs	27,000	1,352,000
	<u> </u>	<u> </u>

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

14 Retirement benefit schemes

(Continued)

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

	Group 2017 £	2016 £	Company 2017 £	2016 £
Present value of defined benefit obligations	27,347,000	25,265,000	27,347,000	25,265,000
Fair value of plan assets	(23,951,000)	(22,108,000)	(23,951,000)	(22,108,000)
Deficit in scheme	<u>3,396,000</u>	<u>3,157,000</u>	<u>3,396,000</u>	<u>3,157,000</u>
			Group 2017 £	Company 2017 £
<i>Movements in the present value of defined benefit obligations</i>				
Liabilities at 1 July 2016			25,265,000	25,265,000
Benefits paid			(1,141,000)	(1,141,000)
Actuarial gains and losses			2,532,000	2,532,000
Interest cost			691,000	691,000
At 30 June 2017			<u>27,347,000</u>	<u>27,347,000</u>

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

	Group 2017 £	Company 2017 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 July 2016	22,108,000	22,108,000
Interest income	601,000	601,000
Return on plan assets (excluding amounts included in net interest)	2,505,000	2,505,000
Benefits paid	(1,141,000)	(1,141,000)
Other	(122,000)	(122,000)
At 30 June 2017	<u>23,951,000</u>	<u>23,951,000</u>

Of the fair value of scheme assets above, £1,129,206 (2016: £1,125,400) 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.

JEWISH CHRONICLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

14 Retirement benefit schemes

(Continued)

Fair value of plan assets at the reporting period end

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Equity instruments	4,311,180	3,758,360	4,311,180	3,758,360
Alternatives	718,530	442,160	718,530	442,160
Bonds	15,568,150	14,591,280	15,568,150	14,591,280
Cash	3,353,140	3,316,200	3,353,140	3,316,200
	<u>23,951,000</u>	<u>22,108,000</u>	<u>23,951,000</u>	<u>22,108,000</u>

15 Share capital

	Group and company	
	2017	2016
	£	£
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
	<u>191,910</u>	<u>191,910</u>

16 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 will be 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.