

DAILY JOURNAL CORP
Form 10-Q
August 12, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-14665

DAILY JOURNAL CORPORATION
(Exact name of registrant as specified in its charter)

South Carolina
(State or other jurisdiction of incorporation or organization)

95-4133299
(I.R.S. Employer Identification No.)

915 East First Street
Los Angeles, California
(Address of principal executive offices)

90012-4050
(Zip code)

(213) 229-5300
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large Accelerated Filer:

Accelerated Filer:

Non-accelerated Filer:

Smaller Reporting Company:

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes: No:

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding at July 31, 2008
Common Stock, par value \$.01 per share	1,500,299 shares

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PART I
Item 1. FINANCIAL STATEMENTS
DAILY JOURNAL CORPORATION
CONSOLIDATED BALANCE SHEETS

	June 30 2008 (Unaudited)	September 30 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,484,000	\$ 1,069,000
U.S. Treasury Notes and Bills	16,931,000	15,396,000
Accounts receivable, less allowance for doubtful accounts of \$300,000 and \$200,000 at June 30, 2008 and September 30, 2007, respectively	8,435,000	5,537,000
Inventories	39,000	23,000
Prepaid expenses and other assets	210,000	187,000
Deferred income taxes	614,000	582,000
Total current assets	28,713,000	22,794,000
Property, plant and equipment, at cost		
Land, buildings and improvements	12,961,000	12,953,000
Furniture, office equipment and computer software	3,843,000	3,637,000
Machinery and equipment	2,044,000	1,942,000
	18,848,000	18,532,000
Less accumulated depreciation	(7,878,000)	(7,211,000)
	10,970,000	11,321,000
U.S. Treasury Notes	1,658,000	4,596,000
Deferred income taxes	1,450,000	1,211,000
	\$ 42,791,000	\$ 39,922,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,819,000	\$ 1,625,000
Accrued liabilities	3,269,000	3,120,000
Income taxes	1,044,000	662,000
Notes payable – current portion	---	209,000
Deferred subscription and other revenues	5,395,000	6,218,000
Total current liabilities	12,527,000	11,834,000
Long term liabilities		
Accrued liabilities	2,750,000	2,000,000
Notes payable	---	3,803,000
Total long term liabilities	2,750,000	5,803,000
Commitments and contingencies (Notes 8 and 9)	---	---
Shareholders' equity		
Preferred stock, \$.01 par value, 5,000,000 shares authorized and no shares issued	---	---
Common stock, \$.01 par value, 5,000,000 shares authorized; 1,500,299 shares, at June 30, 2008 and September 30, 2007, outstanding	15,000	15,000
Additional paid-in capital	1,907,000	1,907,000

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Retained earnings	26,418,000	21,269,000
Accumulated other comprehensive income	80,000	---
Less 47,445 treasury shares, at June 30, 2008 and September 30, 2007, at cost	(906,000)	(906,000)
Total shareholders' equity	27,514,000	22,285,000
	\$ 42,791,000	\$ 39,922,000

See accompanying Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three months ended June 30	
	2008	2007
Revenues		
Advertising	\$ 6,608,000	\$ 5,162,000
Circulation	2,133,000	2,245,000
Information systems and services	1,283,000	904,000
Advertising service fees and other	1,130,000	844,000
	11,154,000	9,155,000
