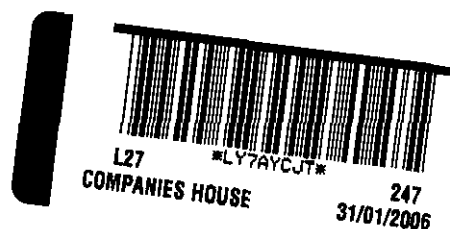


Company No. 03547818

Charity No. 1086014

**MAC KEITH PRESS**  
**(A company limited by guarantee)**

**Report and Financial Statements**  
**31 March 2005**



**MAC KEITH PRESS**  
**(A company limited by guarantee)**

**CONTENTS**

|                                             |          |
|---------------------------------------------|----------|
| <b>Legal and administrative information</b> | <b>2</b> |
| <b>Report of the trustees</b>               | <b>3</b> |
| <b>Independent auditors' report</b>         | <b>6</b> |
| <b>Statement of financial activities</b>    | <b>7</b> |
| <b>Balance sheet</b>                        | <b>8</b> |
| <b>Notes to the accounts</b>                | <b>9</b> |

**MAC KEITH PRESS**  
**(A company limited by guarantee)**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**TRUSTEES**

|                    |                              |
|--------------------|------------------------------|
| Kevin Connolly     | Chair (retired 17 July 2004) |
| Jane Blom-Cooper   |                              |
| Pauline Fiddler    |                              |
| Jean Marshall      |                              |
| Paul Roper         |                              |
| Lewis Rosenbloom   | Chair                        |
| David Scrutton     |                              |
| Christopher Verity | (appointed 24 October 2004)  |

**MANAGING EDITOR**

Michael Pountney

**COMPANY SECRETARY**

Susan Bell

**REGISTERED OFFICE**

6 Market Road  
London N7 9PW

**BANKERS**

National Westminster Bank Plc  
3<sup>rd</sup> Floor  
2 Waterhouse Square  
138-142 Holborn  
London EC1N 2TH

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Hill House  
1 Little New Street  
London, EC4A 3TR

**SOLICITORS**

Rollits  
Rowntree Wharf  
Navigation Road  
York YO1 9WE

Stone King  
39 Cloth Fair  
London EC1A 7JQ

Lovells  
21 Holborn Viaduct  
London EC1A 2DY

**REPORT OF THE TRUSTEES**  
**Year ended 31 March 2005**

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited statements for the year ended 31 March 2005. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was incorporated on 17 April 1998. The charity is under the common control of Scope (company no. 520866, charity registration no. 208231). Mac Keith Press is governed by a memorandum and articles of association, which was last amended on 29 June 2000.

Its objects are:

- The advancement of the education of the public by the encouragement and promotion of research and the publication and dissemination of the useful results of research in the fields of child development and paediatric neurology; and
- The relief of disabled people in particular by the provision of information and other assistance to such persons and those who care for them, the promotion of public understanding of disability and the publication and dissemination of information in the fields of child development and paediatric neurology.

**REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The Statement of Financial Activities for the year is set out on Page 7 of the financial statements. A summary of the financial results and the work of the charity is set out below.

The Trustees intend that Mac Keith Press should continue to produce quality publications in order to maintain its current international reputation for excellence. A similar level of activity is anticipated in 2005/06.

**INCOME GENERATION**

The charity's income for this financial year amounted to £690,188 (2004: £720,533).

Mac Keith Press income is generated by the publication of a medical journal available by subscription entitled 'Development Medicine & Child Neurology', which is published monthly consisting of approximately 12 papers in each 72-page issue, with at least four supplements per year. The journal is purchased by medical establishments and individuals throughout the world and is the leading scientific publication on Child Neurology.

Mac Keith Press also normally publishes 4 books each year of 150–300 pages, known as 'Clinics in Development Medicine'. These are published as a subscription series and as individual titles. Three were published during 2004 were:

*Clinical Management of Craniosynostosis*

*The Treatment of Gait Problems in Cerebral Palsy (Double volume)*

*Central Nervous Systems of Childhood (this title has been delayed and will be published in 2005)*

The first of the four titles for the following year was also published in 2004:

*Prechtl's Method of Qualitative General Movements*

Mac Keith also publishes the annual volume in the International Review of Child Neurology series for the International Child Neurology Association but there was no title for 2004.

**MAC KEITH PRESS**  
**(A company limited by guarantee)**

**REPORT OF THE TRUSTEES (CONTINUED)**  
**Year ended 31 March 2005**

Mac Keith Press also runs a series of medical meetings – the Mac Keith Meetings. The cost of running this activity during the year totalled £8,232 (2004: £12,468). The cost of running these meetings has been funded by Scope.

**RESOURCES EXPENDED AND SERVICES**

The cost of publishing our books, journals and the Mac Keith meetings is a significant part of the charity's activities £695,773 (2004: £738,899) as per note 4.

**GOVERNANCE AND INTERNAL CONTROL**

One-third of Trustees retire from office each year, but can stand for re-election. A third of the Trustees are nominated by Scope. At least two of the Trustees are required to have expertise in the practice of and/or research in a discipline relating to the object of the Company.

**RISK MANAGEMENT**

The Trustees are in the process of assessing the major risks to which the charity is exposed. Should any such risks be discovered as part of this assessment, the appropriate action will be taken to mitigate such risks.

**RESERVES POLICY**

'Mac Keith Press' reserves policy focuses on the level of its 'free' reserves, which will only include assets that are realisable within three months.

Mac Keith Press retains free reserves for one main reason:

- To manage the risks to which the charity is exposed in the course of its business (including safeguarding activities funded by income streams or by other sources that may be reduced or withdrawn).

The Trustees consider that, in order to meet these needs and to operate effectively Mac Keith Press should hold between £80,000 and £100,000. This represented three months expenditure at 2004/2005 levels).

The reserves policy requires that Mac Keith Press holds short term deposits and cash balances between £80,000 and £100,000. At the year-end the short term deposits and cash balance held was £233,689 (2004: £106,642)

Trustees will continue to monitor Mac Keith's levels of free reserves on a regular basis. They will also review the reserves policy at least every three years.

**REPORT OF THE TRUSTEES (CONTINUED)**  
**Year ended 31 March 2005**

**INTERNAL CONTROLS**

A five-year plan has been produced and accepted. The plan will be reviewed against performance and updated as required.

Operations reports are produced for Trustees on a quarterly basis to ensure that they are kept informed of all areas of Mac Keith Press' work and are made aware of any shortfalls in income or other issues.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

United Kingdom law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Mac Keith Press will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Companies Act 1985, Charities Act 1993 and applicable accounting standards. They are also responsible for ensuring that there are satisfactory safeguards over the assets of Mac Keith Press and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The Trustees will be recommending to the members, at the Annual General Meeting that, as a result of a tender process, KPMG LLP are appointed as Auditors of Mac Keith Press for the forthcoming year to replace Deloitte & Touche LLP.

This report was approved by the Trustees of Mac Keith Press and signed on their behalf.



Lewis Rosenbloom, Chair

30 January 2006

**MAC KEITH PRESS**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAC KEITH PRESS**  
**(A company limited by guarantee)**

We have audited the financial statements of Mac Keith Press for the year ended 31 March 2005 which comprise the statement of financial activities, the balance sheet, and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the company's act 1985. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditors**

As described in the statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements which are required to be prepared in accordance with United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies' Act 1985. We also report if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the report of the Trustees for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

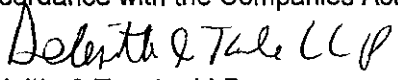
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 2005 and of the incoming resources and application of resources, including the income and expenditure of the charity for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

31 July 2006

**MAC KEITH PRESS**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
Year ended 31 March 2005

|                                                              | Note | Total<br>Unrestricted<br>Funds<br>2005<br>£ | Total<br>Unrestricted<br>Funds<br>2004<br>£ |
|--------------------------------------------------------------|------|---------------------------------------------|---------------------------------------------|
| <b>INCOMING RESOURCES</b>                                    |      |                                             |                                             |
| Activities in furtherance of the charity's objects:          |      |                                             |                                             |
| Sales of journals and books                                  | 2    | 673,490                                     | 715,042                                     |
| Grants received                                              |      | 8,321                                       | -                                           |
| Bank interest received                                       |      | 2,272                                       | -                                           |
| Other Income                                                 |      | 6,105                                       | 5,491                                       |
| <b>Total incoming resources</b>                              |      | <b>690,188</b>                              | <b>720,533</b>                              |
| <b>RESOURCES EXPENDED</b>                                    |      |                                             |                                             |
| Costs of activities in furtherance of the charity's objects: |      |                                             |                                             |
| Cost of sales                                                |      | 335,436                                     | 332,595                                     |
| Royalties paid                                               |      | 28,944                                      | 20,929                                      |
| Other direct costs                                           |      | 319,591                                     | 368,115                                     |
| Mac Keith Meetings                                           |      | 8,232                                       | 12,468                                      |
|                                                              |      | <b>692,203</b>                              | <b>734,107</b>                              |
| <b>Resources available for other expenditure</b>             |      | <b>(2,015)</b>                              | <b>(13,574)</b>                             |
| Management and administration                                | 3    | 3,570                                       | 4,792                                       |
| <b>Net outgoing resources for the year</b>                   | 5    | <b>(5,585)</b>                              | <b>(18,366)</b>                             |
| <b>Net movement in funds</b>                                 |      |                                             |                                             |
| Total general funds 1 April 2004                             |      | 4,981                                       | 23,347                                      |
| Net outgoing resources for the year                          | 5    | (5,585)                                     | (18,366)                                    |
| <b>Total general funds 31 March 2005</b>                     |      | <b>(604)</b>                                | <b>4,981</b>                                |

All activities derive from continuing operations.

There are no other recognised gains and losses for the financial year or the preceeding financial year, other than those reflected in the Statement of Financial Activities



**MAC KEITH PRESS**  
(A company limited by guarantee)

**BALANCE SHEET**  
**As at 31 March 2005**

|                                              | Note | 2005<br>£ | 2005<br>£ | 2004<br>£ | 2004<br>£ |
|----------------------------------------------|------|-----------|-----------|-----------|-----------|
| <b>FIXED ASSETS</b>                          |      |           |           |           |           |
| Tangible fixed assets                        | 8    |           | 9,799     |           | 8,365     |
| <b>CURRENT ASSETS</b>                        |      |           |           |           |           |
| Stocks of finished books                     |      | 91,729    |           | 105,824   |           |
| Trade debtors                                |      | 246,307   |           | 315,656   |           |
| Other debtors                                |      | 8,196     |           | 20,085    |           |
| Prepayments                                  |      | 102,627   |           | 124,432   |           |
| Short term bank deposits                     |      | 213,059   |           | -         |           |
| Cash at bank and in hand                     |      | 20,630    |           | 106,642   |           |
| <b>Total Current Assets</b>                  |      | 682,548   |           | 672,639   |           |
| <b>CURRENT LIABILITIES</b>                   |      |           |           |           |           |
| <b>Amounts due within one year:</b>          |      |           |           |           |           |
| Amount due to parent company                 |      | (326,363) |           | (201,085) |           |
| Deferred income                              |      | (348,194) |           | (419,914) |           |
| Accruals                                     |      | (18,394)  |           | (53,881)  |           |
| Other creditors                              |      | -         |           | (1,143)   |           |
| <b>Total Current Liabilities</b>             |      | (692,951) |           | (676,023) |           |
| <b>Net Current Liabilities</b>               |      |           | (10,403)  |           | (3,384)   |
| <b>Net (Liabilities) / Assets</b>            |      |           | (604)     |           | 4,981     |
| <b>Unrestricted Total General Funds</b>      |      |           |           |           |           |
| Balance as at 1 April 2004                   |      |           | 4,981     |           | 23,347    |
| Retained losses in year                      |      |           | (5,585)   |           | (18,366)  |
| <b>Retained (losses)/gains 31 March 2005</b> |      |           | (604)     |           | 4,981     |

These financial statements were approved by the Trustees on 30 January 2006.

  
Lewis Rosenbloom, Chairman

**NOTES TO THE ACCOUNTS**  
**As at 31 March 2005**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000, and with applicable reporting standards. The particular accounting policies adopted by the Trustees are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Incoming resources**

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance and measurability of receipt.

**Direct charitable expenditure**

Direct charitable expenditure includes all expenditure directly related to the objects of Mac Keith Press and comprises the following:

Costs relating to the publication and distribution of the books, journals and other publications are accounted for when payable.

**Management and administration**

Management and administration costs represent expenditure incurred in the management of Mac Keith Press's assets, organisational, administration, and compliance with constitutional and statutory requirements.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. The depreciation of assets are provided in equal annual instalments over the estimated useful lives of the assets as at the following rates:

Furniture and fittings 25%

**Cash flow statement**

Under FRS1 (revised 1996) the company is exempt from the requirement to present a cashflow statement, accordingly no cash flow statement has been prepared.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**2. SALES INCOME**

Mac Keith's sales are undertaken by its distributor, Cambridge University Press, through their divisions in the United Kingdom and the USA, there are small amounts of direct sales for reprints.

**NOTES TO THE ACCOUNTS**  
**As at 31 March 2005**

**3. MANAGEMENT AND ADMINISTRATION**

|                               | <b>Total<br/>2005<br/>£</b> | <b>Total<br/>2004<br/>£</b> |
|-------------------------------|-----------------------------|-----------------------------|
| Central administration costs  | 298                         | 690                         |
| Meeting expenses              | 272                         | 2,002                       |
| Management and administration | 3,000                       | 2,100                       |
|                               | <u>3,570</u>                | <u>4,792</u>                |

Central administration costs relate to Mac Keith Press' corporate governance.  
Company Secretarial support is provided by Scope the parent company.

**4. ANALYSIS OF TOTAL RESOURCES EXPENDED**

|                               | <b>Total<br/>2005<br/>£</b> | <b>Total<br/>2004<br/>£</b> |
|-------------------------------|-----------------------------|-----------------------------|
| <b>Charitable expenditure</b> |                             |                             |
| Cost of sales                 | 364,380                     | 353,524                     |
| Staff costs                   | 170,601                     | 169,913                     |
| Depreciation                  | 1,632                       | 3,488                       |
| Other direct costs            | 155,590                     | 207,182                     |
|                               | <u>692,203</u>              | <u>734,107</u>              |
| Governance Costs              | <u>3,570</u>                | <u>4,792</u>                |
|                               | <u>695,773</u>              | <u>738,899</u>              |

**5. NET OUTGOING RESOURCES**

|                                                        | <b>2005<br/>£</b> | <b>2004<br/>£</b> |
|--------------------------------------------------------|-------------------|-------------------|
| Net outgoing resources for the<br>year after charging: |                   |                   |
| Auditors' remuneration                                 | 3,000             | 2,100             |
| Depreciation of tangible fixed<br>assets               | 1,632             | 3,488             |
| Operating lease rentals:                               |                   |                   |
| Property                                               | <u>31,157</u>     | <u>32,287</u>     |

**NOTES TO THE ACCOUNTS**  
**As at 31 March 2005**

**6. INFORMATION REGARDING EMPLOYEES AND TRUSTEES**

No member of staff was paid over £50,001 (2004: nil during the year (salary plus benefits in kind but excluding employer's pension contributions). There are 5 members of staff (2004: 5).

|                       | <b>2005</b>    | <b>2004</b>    |
|-----------------------|----------------|----------------|
|                       | <b>£</b>       | <b>£</b>       |
| Salaries              | 142,411        | 136,682        |
| Social Security costs | 12,970         | 11,503         |
| Pension costs         | 15,220         | 21,728         |
|                       | <b>170,601</b> | <b>169,913</b> |

One Trustee, was paid royalties totalling £78 (2004:£185), for his contribution to a book, published by the Mac Keith Press.

During the year, the total expenses directly reimbursed to the Trustees amounted to £1,190 (2004: £2,002). This represents the reimbursement of costs incurred in the furtherance of their duties either as Trustees, attending meetings of the editorial board and costs incurred in promoting their books and was paid to three Trustees.

**7. PENSIONS**

Mac Keith Press staff were entitled to join the defined benefit scheme operated by Scope – the 'Scope Pension Scheme', until the scheme was closed to new members on the 1<sup>st</sup> December 2003. The assets of the scheme are held separately from those of the scheme operator and are managed by a Trustee.

Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives. The required contributions are assessed by Independent qualified actuaries, Mercer Human Resource Consulting Limited, on the basis of actuarial valuations using the projected unit method.

Scope has included a provision in its accounts of £2,347,000 (2004: £1,695,000). This includes provisions for Mac Keith Press staff. It is not possible to ascertain the liability of Mac Keith Press within this provision.

Scope has a pension deficit under FRS17 of £13,641,000

Scope now has a stakeholder scheme which all new employees and those employees who did not join the Scope Pension Scheme prior to closure are entitled to join..

**MAC KEITH PRESS**  
(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**  
As at 31 March 2005

**8. TANGIBLE FIXED ASSETS**

|                                 | <b>Computer<br/>Equipment<br/>2005<br/>£</b> | <b>Computer<br/>Equipment<br/>2004<br/>£</b> |
|---------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Cost</b>                     |                                              |                                              |
| As at 1 April 2004              | 36,294                                       | 31,418                                       |
| Additions                       | 3,066                                        | 4,876                                        |
|                                 | <hr/>                                        | <hr/>                                        |
| At 31 March 2005                | 39,360                                       | 36,294                                       |
| <b>Accumulated depreciation</b> |                                              |                                              |
| As at 1 April 2004              | 27,929                                       | 24,441                                       |
| Charge for the year             | 1,632                                        | 3,488                                        |
|                                 | <hr/>                                        | <hr/>                                        |
| At 31 March 2005                | 29,561                                       | 27,929                                       |
| <b>Net book value</b>           |                                              |                                              |
| At 31 March 2005                | <hr/> 9,799 <hr/>                            | <hr/> 8,365 <hr/>                            |
| At 31 March 2004                | <hr/> 8,365 <hr/>                            | <hr/> 6,977 <hr/>                            |

**9. ULTIMATE PARENT COMPANY AND RELATED PARTIES**

Mac Keith Press is a wholly owned subsidiary of Scope a company limited by guarantee in England & Wales which is the ultimate controlling company.

Consolidated Financial Statements of the parent company are available from 6 Market Road, London, N7 9PW.

**10. RELATED PARTY DISCLOSURES**

Mac Keith Press has taken advantage of the exemption within FRS 8 'Related Party Disclosures' allowing non-disclosure of transactions between group companies.

**MAC KEITH PRESS**  
**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**  
**As at 31 March 2005**

**11. OPERATING LEASE COMMITMENTS**

|                          | <b>Land and<br/>Buildings<br/>2005<br/>£'000</b> | <b>Land and<br/>Buildings<br/>2004<br/>£'000</b> |
|--------------------------|--------------------------------------------------|--------------------------------------------------|
| Leases which expire:     |                                                  |                                                  |
| Within one               | -                                                | 17,075                                           |
| Within two to five years | 32,780                                           | 16,392                                           |
|                          | <u>32,780</u>                                    | <u>33,467</u>                                    |

**12. TAXATION**

As a charity MacKeith Press is exempt from taxation of Income and gains received within categories covered by section 505 Taxes Act 1988 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objective. No tax charge has arisen in the year.