

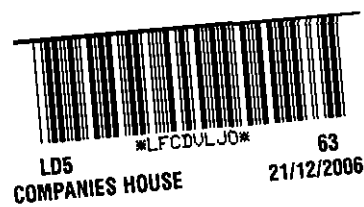
Company No. 03547818

Charity No. 1086014

MAC KEITH PRESS

(A company limited by guarantee)

**Report and Financial Statements
31 March 2006**



MAC KEITH PRESS
(A company limited by guarantee)

CONTENTS

Legal and Administrative Details	2
Report of the Trustees	3
Independent auditors' report to the Members of Mac Keith Press	7
Statement of financial activities	9
Balance sheet	10
Notes to the accounts	11

MAC KEITH PRESS
(A company limited by guarantee)

LEGAL AND ADMINISTRATIVE DETAILS

Trustees:

Jane Blom-Cooper
Pauline Fiddler
Jean Marshall
Paul Roper
Lewis Rosenbloom (Chair)
David Scrutton
Christopher Verity

Managing Editor:

Michael Pountney

Company Secretary:

Susan Bell

Registered Office:

6 Market Road
London N7 9PW

Bankers:

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

Auditors:

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Solicitors:

Dickinson Dees
Prince's Wharf
Teesdale
Stockton on Tees
TS17 6QY

Stone King
39 Cloth Fair
London
EC1A 7JQ

MAC KEITH PRESS
(A company limited by guarantee)

REPORT OF THE TRUSTEES
Year ended 31 March 2006

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 1985 and the Charities Act 1993, present their annual report and the audited financial statements for the year ended 31 March 2006. The accounts comply with the Companies Act 1985, the Charity's governing document the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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 9 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 2006/07.

Mac Keith Press publications have been distributed worldwide by Cambridge University Press since 1992. The Press put this business out to tender during this year, and have decided to award it to Blackwell Publishing, starting in January 2007. The terms negotiated with Blackwell Publishing will produce a substantially larger income for Mac Keith Press.

Mac Keith Meetings are a series of medical meetings of two different kinds: about half of them are one day Open meetings, educational in purpose, which doctors and health professionals pay to attend. The other half are Closed meetings, gatherings of experts from around the world meeting to debate and develop specific medical issues. The Closed meetings are often the genesis of books in the Clinics in Developmental Medicine series. Almost all the Meetings take place at the Royal Society of Medicine in London.

The lease on 30 Furnival Street, Mac Keith Press's office, expires on Christmas Eve 2006. It can be renewed, but only at a substantially higher rent. Mac Keith Press is currently looking to see if alternative premises are available which meet Scope's requirement of full Disability Discrimination Act compliance.

FINANCIAL RESULTS

Mac Keith Press made a deficit of £27,021 (2005: £ 5,585). The causes of the deficit were from the delayed publication of new books and, we believe, by our distributors marketing our publications less actively than they might. We are changing our distributors from Jan 1 2007 to Blackwell Publishing and will benefit from far better terms than we had with CUP: we will retain 75% of the gross income from the Journal instead of 68%, and 75% of the book income instead of 54%. Blackwell Publishing has also made a one off 'disturbance' payment of £50,000 during the new financial year. There was also a correction of errors in the balance sheet occurring over a number of years which resulted in an additional charge of £14,939 (see Note 4).

INCOME GENERATION

The charity's income for this financial year amounted to £715,820 (2005: £690,188).

Mac Keith Press income is generated by the publication of a medical journal available by subscription entitled 'Developmental 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. It is the required membership journal of the American Academy for Cerebral Palsy and Developmental Medicine (1000 members) and the British Paediatric Neurology Association (350 members)

Mac Keith Press also publishes a series of books known as 'Clinics in Developmental Medicine'. Until 2004, these were marketed both as a subscription series (4 books a year) and as individual titles. During 2005 four new titles were published, all delayed from earlier years. One further title, to be published by mid-2006, will complete the subscription series. Three were published during 2005 were:

Shaking and Other Non-accidental Head Injuries

Central Nervous System Tumours of Childhood

Cognitive and Behavioural Disorders of Epileptic Origin in Children

The Placenta and Disability

The final title for the subscription series will be:

Management of Disorders of Bladder & Bowel Control in Childhood.

After this title is published, the Clinics will be published in the normal way as individual titles, though at a faster rate than previously.

Mac Keith also publishes the annual volume in the International Review of Child Neurology series for the International Child Neurology Association. There was no title for 2005 but two titles will be published in June 2006 and at least one more before the end of the year. Mac Keith Press also runs a series of medical meetings – the Mac Keith Meetings. These are of two types: closed research meetings attended by international experts, and open teaching meetings for doctors and allied health professionals. Income from the latter helps to meet the costs of the former. Scope makes a grant to meet any shortfall between income and expenditure up to an agreed budget level. The shortfall during the year totalled £17,883 (2005: £8,232).

RESOURCES EXPENDED AND SERVICES

The cost of publishing our books, journals and the Mac Keith Meetings was £742,841 (2005: £695,773) 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 2005/2006 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 £306,079 (2005: £233,689). Mac Keith Press holds large cash deposits because a large proportion of its subscription income is received during January, and the cash outflows occur in the subsequent periods.

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.

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

The trustees are also directors of Mac Keith Press for the purposes of the companies act. The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and regulations.

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.

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

AUDITORS

The Trustees will be recommending to the members, at the Annual General Meeting that KPMG LLP are re-appointed as auditors of Mac Keith Press for the forthcoming year.

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



Lewis Rosenbloom

Chair

18 December 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 2006 which comprise the statement of financial activities, the balance sheet, and the related notes 1 to 13. 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.

MAC KEITH PRESS
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAC KEITH PRESS
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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 2006 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.

14/12/06

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Dated this *19* day of December 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT**
Year ended 31 March 2006

	Note	Total Unrestricted Funds 2006 £	Restated Total Unrestricted Funds 2005 £
INCOMING RESOURCES			
Other incoming resources:			
Bank interest received		4,712	2,272
Activities in furtherance of the charity's objects:			
Sales of journals and books	2	674,211	673,490
Grants received		17,883	8,321
Other Income		19,014	6,105
Total incoming resources		<u>715,820</u>	<u>690,188</u>
RESOURCES EXPENDED			
Charitable activities:			
Publication of books and journals		712,996	683,971
Mac Keith Meetings		26,103	8,232
Total cost of charitable activities		<u>739,099</u>	<u>692,203</u>
Governance costs	3	<u>3,742</u>	<u>3,570</u>
Total resources expended	4	<u>742,841</u>	<u>695,773</u>
Net outgoing resources for the year		<u>(27,021)</u>	<u>(5,585)</u>
Net movement in funds			
Total general funds 1 April 2005		(604)	4,981
Net outgoing resources for the year		<u>(27,021)</u>	<u>(5,585)</u>
Total general funds 31 March 2006		<u>(27,625)</u>	<u>(604)</u>

All activities derive from continuing operations.

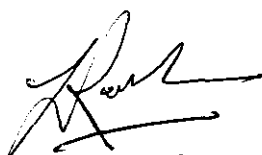
There are no other recognised gains and losses for the financial year or the preceding financial year, other than those reflected in the Statement of Financial Activities.

MAC KEITH PRESS
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BALANCE SHEET
As at 31 March 2006

	Note	2006 £	2006 £	2005 £	2005 £
FIXED ASSETS					
Tangible fixed assets	8		6,729		9,799
CURRENT ASSETS					
Stocks of finished books		111,176		91,729	
Trade debtors		226,913		246,307	
Other debtors		8,196		8,196	
Prepayments		106,452		102,627	
Short term bank deposits		303,574		213,059	
Cash at bank and in hand		2,505		20,630	
Total current assets		758,816		682,548	
CURRENT LIABILITIES					
Amounts due within one year:					
Amount due to parent company		(415,788)		(326,363)	
Deferred income	9	(342,191)		(348,194)	
Accruals		(35,191)		(18,394)	
Other creditors		-		-	
Total current liabilities		(793,170)		(692,951)	
Net Current Liabilities			(34,354)		(10,403)
Net (liabilities) / assets			(27,625)		(604)
Unrestricted total general funds					
Balance as at 1 April 2005			(604)		4,981
Retained losses in year			(27,021)		(5,585)
Retained (losses)/gains 31 March 2006			(27,625)		(604)

These financial statements were approved by the Trustees on 18 December 2006.


Lewis Rosenbloom
Chair

NOTES TO THE ACCOUNTS
As at 31 March 2006

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005, and with applicable accounting and reporting standards and the Companies Act 1985.

SORP 2005 has been adopted for the first time in these financial statements and the comparatives have been adjusted accordingly.

The particular accounting policies adopted by the Executive Council 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.

Governance

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 at the following rates:

Computers 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.

MAC KEITH PRESS
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NOTES TO THE ACCOUNTS
As at 31 March 2006

1. ACCOUNTING POLICIES (CONTINUED)

Deferred income

Income received in advance in respect of subscriptions is deferred on the balance sheet in order to match the income with the period to which it relates.

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.

3. GOVERNANCE

	Total 2006 £	Restated Total 2005 £
Central administration costs	-	298
Meeting expenses	242	272
Audit fee	3,500	3,000
	<u>3,742</u>	<u>3,570</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

	Total 2006 £	Restated Total 2005 £
Charitable expenditure		
Cost of sales	375,620	364,380
Staff costs	176,011	170,601
Depreciation	2,073	1,632
Mac Keith Meetings	26,103	8,232
Other direct costs	159,292	147,358
	<u>739,099</u>	<u>692,203</u>
 Governance Costs	 <u>3,742</u>	 <u>3,570</u>
	<u>742,841</u>	<u>695,773</u>

NOTES TO THE ACCOUNTS
As at 31 March 2006

4. ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

The resources expended include a figure of £14,939 which resulted from posting errors over a number of years to various balance sheet accounts.

Mac Keith press adhere to Scope Human Resources, Health and Safety and Finance procedures, they are normally charged directly for any services provided by Scope.

All costs incurred by Mac Keith Press are for activities undertaken directly by them.

5. NET OUTGOING RESOURCES

	2006 £	2005 £
Net outgoing resources for the year after charging:		
Auditors' remuneration	3,500	3,000
Depreciation of tangible fixed assets	2,073	1,632
Operating lease rentals: Property	<u>32,780</u>	<u>31,157</u>

6. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

No member of staff received emoluments exceeding £60,001 (2005: nil during the year (including benefits in kind but not employer pension costs). There are 7 members of staff (2005: 6).

	2006 £	2005 £
Salaries	157,100	142,411
Social Security costs	15,148	12,970
Pension costs	<u>3,763</u>	<u>15,220</u>
	<u>176,011</u>	<u>170,601</u>

NOTES TO THE ACCOUNTS
As at 31 March 2006

6. INFORMATION REGARDING EMPLOYEES AND TRUSTEES (CONTINUED)

During the year no trustees were paid any royalties (2005: £78), for contribution to books, published by the Mac Keith Press.

The trustees receive no remuneration for their services to Mac Keith Press, (2005: nil), other than royalties (see above).

Total expenses directly reimbursed to the Trustees amounted to £242 (2005: £272). This represents the reimbursement of costs incurred in the furtherance of their duties either as Trustees and attending meetings of the editorial board and were 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 1st December 2003. The assets of the scheme are held separately from those of the scheme operator and are managed by a Trustee.

The Company is a member of a larger group pension scheme providing benefits based on final pensionable pay. Because Mac Keith Press is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

Scope has a pension deficit under FRS17 of £15,758,000 (2005: £13,641,000). It is not possible to identify the Mac Keith Press share of the total deficit.

The latest full actuarial valuation was carried out at 30 June 2004 and was updated to 31 March 2006, by an independent qualified actuary in accordance with FRS 17. As required by FRS 17, the defined benefit liabilities have been measured using the projected unit method.

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
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NOTES TO THE ACCOUNTS
As at 31 March 2006

8. TANGIBLE FIXED ASSETS

	Computer equipment 2006 £
Cost	
As at 1 April 2005	39,360
Additions	-
Disposal	(997)
	<hr/>
At 31 March 2006	38,363
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Accumulated depreciation	
As at 1 April 2005	29,561
Charge for the year	2,073
	<hr/>
At 31 March 2006	31,634
	<hr/>
Net book value	
At 31 March 2006	6,729
	<hr/>
At 31 March 2005	9,799
	<hr/>

9. DEFERRED INCOME

	Brought forward	Released from previous year	Deferred in current year	Carried forward
	£	£	£	£
Development Medicine & Child Neurology	294,862	(295,132)	337,351	337,081
Clinics in Developmental Medicine	53,332	(48,222)	-	5,110
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	348,194	(343,354)	337,351	342,191
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The journal "Developmental and Child Neurology" and "Clinics in Developmental Medicine" are sold on subscription. Commencing from the 2006 subscription year the series "Clinics in Developmental Medicine" will no longer be sold on subscription.

MAC KEITH PRESS
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NOTES TO THE ACCOUNTS
As at 31 March 2006

10. 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.

11. 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.

12. OPERATING LEASE COMMITMENTS

	Land and Buildings 2006 £	Land and Buildings 2005 £
Leases which expire:		
Within one	24,585	-
Within two to five years	-	32,780
	<u>24,585</u>	<u>32,780</u>

The lease of the Mac Keith Press office at 30 Furnival Street expires on the 24th December 2006. Negotiations are currently taking place for a renewal of the lease for a period of ten years with a five year break clause. It is expected to recover approximately £7,000 of the expected cost of £59,000 through authorised sub letting.

13. TAXATION

As a charity Mac Keith 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.