

Company No. 03547818

Charity No. 1086014

MAC KEITH PRESS
(A company limited by guarantee)

Report and Financial Statements
31 March 2009

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MAC KEITH PRESS
(A charitable company limited by guarantee)

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MAC KEITH PRESS
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LEGAL AND ADMINISTRATIVE DETAILS

Trustees and directors:

John Adams
Ian Black
Brian Griffiths
Jean Marshall
Geoff Nuttall
Lewis Rosenbloom (Chair)
David Scrutton
Christopher Verity

Managing Director:

Caroline Black

Company Secretary:

Susan Bell (until 5 December 2008)
Victoria Burnett (from 5 December 2008)

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 charitable company limited by guarantee)

REPORT OF THE TRUSTEES
Year ended 31 March 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 2009. The accounts comply with the Companies Act 1985, the Charity's governing document and 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.

The Board of Trustees comprises 8 members. One-third of Trustees retire from office each year, but can stand for re-election. Three of the Trustees are nominated by Scope, three are from the Mac Keith Press editorial board, and two are independent, nominated by the Board. All Trustees are formally appointed 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 objects of the Company.

The day-to-day management of Mac Keith Press is delegated to the Managing Director.

OBJECTS AND ACTIVITIES

The objects of Mac Keith Press are the following:

- 1 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
- 1 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.

This is achieved through the publication of books and a journal that cover paediatric neurology and neurodisability and development medicine.

ACHIEVEMENTS AND PERFORMANCE

Income is generated by the publication of a medical journal available on subscription entitled 'Developmental Medicine & Child Neurology', which is published monthly. Each 80-page issue comprises approximately 10 research articles and reviews, as well as editorials, commentaries, letters and opinion pieces. The journal also publishes about four supplements per year, most of which are the abstracts of society conferences. The journal is purchased by medical establishments and individuals throughout the world and is the leading scientific publication on child neurology. It is provided as a membership benefit to the American Academy for Cerebral Palsy and Developmental Medicine (1000 members) and the British Paediatric Neurology Association (350 members) and is also the official journal of the British Academy of Childhood Disability.

Mac Keith Press also publishes a series of professional specialist books, the 'Clinics in Developmental Medicine'. During 2008-2009 the following new titles were published in this series:

- Dan: *Angelman Syndrome* (May 2008)
- Eliasson & Burtner: *Improving Hand Function in Children with Cerebral Palsy* (September 2008)
- Hadders-Algra & Carlberg: *Postural Control: A Key Issue in Developmental Disorders* (October 2008)
- Aicardi: *Diseases of the Nervous System in Childhood* (3rd edn) (February 2009)

Mac Keith Press has launched a new range of books, the 'practical guides', aimed at health professionals and others involved in the care of children and young people with neurodisabilities. The first two appeared during 2008-2009:

Burns: *Disabled Children Living Away from Home* (Jan 2009)

O'Brien & Rosenbloom: *Developmental Disability and Ageing* (Jan 2009)

Mac Keith also publishes the annual volume in the International Review of Child Neurology series for the International Child Neurology Association (ICNA). During 2008-2009, no new titles were published, though ICNA has a number of titles under way.

FINANCIAL RESULTS

The Statement of Financial Activities for the year is set out on Page 10 of the financial statements. Sales of publications were £517,868 (2008: £435,839) for the financial year ended 31 March 2009, with expenditure on publications of £512,184 (2008: £572,646), resulting in a surplus of £5,684 (2008: deficit £136,807).

Other income, such as rents from tenants, increased the operating surplus of the charity to £8,046 after governance costs (2008: deficit £119,053) for the year. The improvement in the financial position was due to a combination of higher income and cost savings. The amount owed to Scope at year end fell by £171,377, due largely to repayments made in the year.

To consolidate this improved position, a strategic review of the activities of Mac Keith Press is under way. This review was initiated at a strategic meeting in January 2009, at which priorities for Mac Keith Press were identified. The outcome will be a five-year business and strategic plan in autumn 2009, together with a plan for repayment of the remaining balance owed to Scope.

Income generation

The charity's income for this financial year amounted to £525,730 (2008: £459,187) comprising £517,868 sales income and £7,862 rents from tenants and bank interest.

The change in income in 2008-2009 compared with 2007-2008 is due to improved book sales, arising from (a) a strong front list that included the third edition of Aicardi's *Diseases of the Nervous System in Childhood*, (b) improved distribution terms, and (c) higher unit sales by the distributor.

Resources expended and services

The cost of publishing our books and journals was £512,184 (2008: £578,240) as per note 4. The decrease in costs in 2008-2009 compared with 2007-2008 is largely

accounted for by (a) the move of production of the journal to its distributor, (b) lower printing prices for the books, (c) reduced staff costs, and (d) the fact that no costs were incurred for Mac Keith Meetings, which are on hold. The 2008 figure for cost of publishing our books and journals includes Governance Costs whereas the 2009 does not.

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

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

Mac Keith Press retains free reserves 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 over three months' overhead expenditure at 2008-2009 levels.

Mac Keith Press currently has no free reserves. The Trustees recognise that the deficit in free reserves at the current time is unsustainable and the strategic review and five-year business plan will focus on building a sounder financial and operational footing for Mac Keith Press.

The 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.

MONITORING AND INTERNAL CONTROLS

Quarterly operations reports are produced for Trustees to ensure that they are kept informed of all areas of the work of Mac Keith Press and are made aware of any shortfalls in income or other issues.

The format of the monthly and quarterly management accounts has been revised to show the performance of the different parts of the business (journal and books) separately.

The transactional processing of Mac Keith Press now takes place at Scope's head office. The accounting processes are subject to inspection by Scope's internal audit team and there are internal controls in operation to ensure that risks of fraud and error are minimised. The internal controls are subject to regular review.

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 is 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.

A handwritten signature in black ink, appearing to read "Lewis Rosenbloom", with a horizontal line drawn underneath the signature.

Lewis Rosenbloom

Chair

24 July

2009

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 2009 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. 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 Companies 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The responsibilities of the charitable company's Trustees, who are also the directors of the charity for the purposes of company law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether, in our opinion, the information given in the Trustees' Annual Report is inconsistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company 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 directors' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 charitable company's circumstances, consistently applied and adequately disclosed.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAC KEITH
PRESS**

(A company limited by guarantee)

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, in accordance with UK Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Trustees' Annual Report is consistent with the financial statements.

KPMG LLP

KPMG LLP

*Chartered Accountants
Registered Auditor*

1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Dated this

13th day of *August 2009*

MAC KEITH PRESS
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STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT
Year ended 31 March 2009

	Note	Total Unrestricted Funds 2009 £	Total Unrestricted Funds 2008 £
INCOMING RESOURCES			
Incoming resources from charitable activities:			
Sales of journals and books	2	517,868	435,839
Grants received		-	-
Other Income		5,971	9,586
Other incoming resources:			
Bank interest received		1,891	13,762
Total incoming resources		<u>525,730</u>	<u>459,187</u>
RESOURCES EXPENDED			
Charitable activities:			
Publication of books and journals		512,184	572,646
Mac Keith Meetings		-	807
Total cost of charitable activities		<u>512,184</u>	<u>573,453</u>
Governance costs	3	<u>5,500</u>	<u>4,787</u>
Total resources expended	4	<u>517,684</u>	<u>578,240</u>
Net surplus/(deficit) for the year	5	<u>8,046</u>	<u>(119,053)</u>
Net movement in the deficit			
Total general deficit 1 April 2008		(215,831)	(96,778)
Total general deficit 31 March 2009		<u>(207,785)</u>	<u>(215,831)</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.

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BALANCE SHEET
As at 31 March 2009

	Note	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Tangible fixed assets	8		-		-
CURRENT ASSETS					
Stock	9	44,390		33,525	
Trade debtors		28,122		42,342	
Other debtors		6,907		6,609	
Prepayments		15,292		17,636	
Short term bank deposits		102,830		194,204	
Cash in hand		50		43,311	
Total current assets		197,591		337,627	
CURRENT LIABILITIES					
Amounts due within one year:					
Amount due to parent company		(332,967)		(504,344)	
Accruals		(37,812)		(28,026)	
Other creditors		(15,569)		(21,088)	
Bank overdraft		(19,028)		-	
Total current liabilities		(405,376)		(553,458)	
Net Current Liabilities			(207,785)		(215,831)
Net (liabilities)			(207,785)		(215,831)
Unrestricted total general funds					
Balance as at 1 April 2008			(215,831)		(96,778)
Retained surplus/(deficit) for the year			8,046		(119,053)
Retained losses 31 March 2009			(207,785)		(215,831)

These financial statements were approved by the Trustees on 24 July 2009.


Lewis Rosenbloom
Chair

MAC KEITH PRESS
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

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.

These accounts have been filed with the Registrar of Companies.

The charity has liabilities in excess of assets. A subsidiary company of the parent (Scope Central Trading Limited) has committed to provide support to the charity for at least the next 12 months.

The particular accounting policies adopted by the Board of 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.

Operating leases

Operating lease rentals are charged to the Statement of Financial Activities over the term of the lease.

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 is provided in equal annual instalments over the estimated useful lives of the assets at the following rates:

Computers 25%

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NOTES TO THE ACCOUNTS
As at 31 March 2009

1. ACCOUNTING POLICIES (CONTINUED)

Funds

General unrestricted funds are funds that are expendable at the discretion of the Board of Trustees in the furtherance of the objects of Mac Keith Press. Such funds may be held in order to finance both working capital and capital investment.

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, Wiley-Blackwell, worldwide. There are small amounts of direct sales for books.

3. GOVERNANCE

	Total 2009 £	Total 2008 £
Central administration costs	-	-
Meeting expenses	1,200	487
Audit fee	4,300	4,300
	<u>5,500</u>	<u>4,787</u>

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

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NOTES TO THE ACCOUNTS
As at 31 March 2009

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Total 2009 £	Total 2008 £
Charitable expenditure		
Cost of sales	224,953	241,060
Staff costs	196,820	217,094
Mac Keith Meetings	-	807
Depreciation	-	1,485
Loss on disposal of fixed assets	-	3,171
Other direct costs	90,411	109,836
	<u>512,184</u>	<u>573,453</u>
Governance Costs	5,500	4,787
	<u>517,684</u>	<u>578,240</u>

Mac Keith Press adheres to Scope Human Resources, Health and Safety and Finance procedures. It is normally charged directly for any services provided by Scope.

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

5. NET OUTGOING RESOURCES

	2009 £	2008 £
Net outgoing resources for the year are stated after charging:		
Auditors' remuneration	4,300	4,300
Depreciation of tangible fixed assets	-	1,485
Loss on disposal of fixed assets	-	3,171
Operating lease rentals:		
Property	53,167	53,705
	<u>53,167</u>	<u>53,705</u>

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NOTES TO THE ACCOUNTS
As at 31 March 2009

6. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

1 member of staff received emoluments exceeding £60,001 (2008: nil) during the year (including benefits in kind but not employer pension costs). There are 4 members of staff (2008: 7).

	2009	2008
	£	£
Salaries	166,998	195,711
Social Security costs	16,328	18,902
Pension costs	723	2,481
Total Payroll Costs	184,049	217,094

During the year one trustee received remuneration of £24.64 for services to Mac Keith Press (2008: £750).

Total expenses directly reimbursed to the Trustees amounted to £nil (2008: £425).

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.

Mac Keith Press 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. As the Scheme closed to future accrual on 1 April 2007, no future contributions are required by the employer in respect of the future scheme benefits.

Scope has a pension surplus under FRS17 of £10,808,000 (2008: surplus of £5,927,000). However, the Scheme is represented on the Group Balance Sheet of Scope as £nil as the amount of the pension asset that can be recognised is limited to the extent that it is recoverable by the employer through reduced contributions for pensionable service and agreed refunds. It is not possible to identify the Mac Keith Press share of the total surplus of the Scheme.

The latest full actuarial valuation was carried out at 31 December 2008 and was updated to 31 March 2009, 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.

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NOTES TO THE ACCOUNTS
As at 31 March 2009

8. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost at 1 April 2008 and 31 March 2009	7,436
Accumulated depreciation As at 1 April 2008 and 31 March 2009	7,436
Net book value At 1 April 2008 and At 31 March 2009	-

9. STOCK

Work in progress	4,411
Finished Goods	39,979
	<u>44,390</u>

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.

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NOTES TO THE ACCOUNTS
As at 31 March 2009

12. OPERATING LEASE COMMITMENTS

	Land and Buildings 2009 £	Land and Buildings 2008 £
Leases which expire:		
Within one year	-	-
Within two to five years	-	-
Within five to ten years	58,000	58,000
	<u>58,000</u>	<u>58,000</u>

The £58,000 annual rental commitment relates to premises which are subject to a rent review in December 2011.

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.