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DYSLEXIA SCOTLAND
(A Company Limited by Guarantee with Charitable Status)

153321

REPORT AND ACCOUNTS

CONTENTS

	Page
Company Information	2
Directors' Report	3-5
Auditor's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Accounts	9-12



DYSLEXIA SCOTLAND
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DIRECTORS

Sheila Airth
Roy Burrell
Adam Hannah
Mary Evans
Sir Peter Burt (elected June 2004 - resigned March 2005)
Dr Margaret Crombie (elected Feb 2004)
Professor David Swinfen (elected Feb 2004)
Sheila Forsyth (resigned February 2004)
William McNair (resigned January 2004)

COMPANY SECRETARY

Fiona Hird

AUDITORS

Gregor Clark & Co
Chartered Accountants
54 Manor Place
Edinburgh
EH3 7EH

BANKERS

The Royal Bank of Scotland plc
Alloa Branch
19 High Street
Alloa
FK10 1JF

REGISTERED OFFICE

Stirling Business Centre
Wellgreen
Stirling
FK8 2DZ

REGISTERED NUMBER

SC153321 (Scotland)

**INLAND REVENUE
CHARITY NUMBER**

SC000951

DYSLEXIA SCOTLAND
(A Company Limited by Guarantee with Charitable Status)

DIRECTORS' REPORT

The Directors submit their report and financial statement for a 15 month period ending 31st March 2005.

Background

The Annual General Meeting held in 2004 was the inaugural meeting of the new organisation Dyslexia Scotland, following the merger of two leading and long established charities the Scottish Dyslexia Trust and Dyslexia in Scotland.

The two organisations have brought together a wide range of expertise, skills, innovative projects, a network of branches and tremendous enthusiasm and commitment.

Dyslexia Scotland is a registered charity and a company limited by guarantee. It is recognised as the new national voluntary organisation representing the needs and views of dyslexic people in Scotland.

Our mission "to enable and encourage dyslexic people, regardless of their age and abilities, to reach their full potential in education, employment and in life."

Review of the Business

Dyslexia Scotland services have grown following the merger. We give support and promote good practice in many ways. Some of the highlights of the year include:

- The launch of a confidential national helpline.
- Expansion of the office and resource center.
- New systems for support and seminars for the qualified tutors and specialist teachers on the National Tutor List.
- Co-ordination of the work of practitioners and providers involved in the field of dyslexia through the review of the role of the Forum and inclusion of this body into the management structure of the organisation.
- Working with the Scottish Executive to disseminate research findings and to promote good practice.
- Constituting the Adult Network as an integral part of the organisation and success of five adult seminars.
- The production of a new image, logo and marketing of the new organisation.
- The success of the national conference, dissemination seminar and other local events.
- Continued support and consultation with the branches and members and the formation of three new branches under the auspices of Dyslexia Scotland.
- Strategic Planning Day involving all key stake-holders in the organisation setting priorities for the next three years.
- The launch and continuation of specific projects such as 'Count Me In', 'Transition Dyslexia' and the 'Prison Project'.

We continue to provide up-to-date information to the public and other agencies regarding dyslexia. We have produced a new look Dyslexia Scotland magazine and responded to various Government consultation documents. We provide advice on assessments and alternative learning strategies and programmes.

Dyslexia Scotland and its network of branches, groups and individual volunteers continue to raise awareness of the nature of dyslexia and its effects on children, young people and adults in all aspects of their daily lives.

The Dyslexia Scotland Helpline provides a confidential service manned by experienced, knowledgeable staff and provides information and counseling to wide range of callers.

DYSLEXIA SCOTLAND
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DIRECTORS' REPORT (ctd)

Review of the business (ctd)

The helpline service has been as busy as ever. The majority of calls to the helpline are from parents but a growing number are from adult dyslexics and employers. We also receive a number of general calls from professionals working in the field of dyslexia, teachers, doctors, speech & language therapists and employers.

The national conference held in September entitled 'Moving Forward with Dyslexia' was attended by 420 delegates. The vast majority of delegates are teachers but parents and many other professionals also attend. The evaluation of the event concluded that the conference was extremely successful and we have plans to organise an international conference in 2006.

The Directors would like to thank the staff and the many volunteers in the branches. Without their expertise, enthusiasm and commitment Dyslexia Scotland would be ineffective as a national organisation support the needs of dyslexic adults and children at local level.

The past year has seen us build a strong foundation on which to build a vibrant, dynamic and effective organisation to support the needs and aspirations of dyslexic people in the future.

The Scottish Executive supports our work and we will continue to work with a wide range of statutory and voluntary organisations to develop provision in Scotland.

We would also like to thank the many Trusts and individual donors who support our work and acknowledge these within the accounts.

Results for the year

A surplus of £100,333 (2003 – deficit £15,828) arose during the period.

Reserves

The company has agreed that its policy on reserves should be to provide sufficient liquid resources to meet both revenue and capital needs.

Board of Directors

The directors who served during the period were as stated on page 2.

The board of directors comprises a wide range of experience and expertise providing the company appropriate guidance and knowledge in a sector, which is constantly changing.

Organisation

The company has a board of Directors who are nominated by the Council of Management who represent the wider membership and interest of the company. A Chief Executive is appointed by the Board to manage the day-to-day operations of the company.

Risk review

The risks faced by the charity fall into two categories, internal and external.

Internal risks are minimised by the implementation of procedures for authorisation of transactions and projects and to ensure consistent quality of delivery for all operational aspects of the company.

External risks relate largely to the continued funding of the charity. However an encouraging development is the continued support from both private and public sectors, which should ensure the long-term financial stability of the company.

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Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

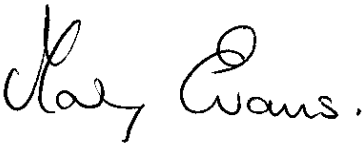
- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Gregor Clark & Co., Chartered Accountants, have expressed a willingness to continue in office as auditors. A resolution to re-appoint Gregor Clark & Co. will be put to the members at the Annual general Meeting.

BY ORDER OF THE BOARD



Director

19th May 2005

DYSLEXIA SCOTLAND
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INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the directors of Dyslexia Scotland

We have audited the financial statements of Scottish Dyslexia for the 15 month period ended 31 March 2005 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Directors' Report concerning the major risks to which the company is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the company's risk management and control procedures.

We read other information contained in the Directors' 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 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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 an 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 the company's affairs as at 31 March 2005 and of its incoming resources and application of resources for the year then ended and have been properly prepared.



Gregor Clark & Co
Chartered Accountants & Registered Auditors
Edinburgh

19th May 2005

DYSLEXIA SCOTLAND
(A Company Limited by Guarantee with Charitable Status)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
For the 15 Month Period Ended 31st March 2005

Mths	Notes	Unrestricted Funds			15 Mths	12
		General Fund	Designated Funds	Restricted Funds	Total Funds 2005	Total Funds 2003
		£	£	£	£	£
Income and Expenditure						
Incoming resources						
Donations & Legacies	2	74,684	-	-	74,684	29,623
Grant funding	3	-	-	83,291	83,291	31,405
Conferences		33,336	-	-	33,336	28,923
Scottish Dyslexia Trust	4	100,000	-	-	100,000	-
Interest received		4,326	-	-	4,326	2,121
Other income	5	12,827	-	-	12,827	12,425
Total incoming resources		225,173	-	83,291	308,464	104,497
Resources expended						
Direct charitable expenditure		97,773	-	62,488	160,261	92,651
Management and administration of the charity		29,205	-	18,665	47,870	27,674
Total resources expended	6&7	126,978	-	81,153	208,131	120,325
Net movements in funds before transfers		98,195	-	2,138	100,333	(15,828)
Transfer between funds		-	-	-	-	-
Net movements in funds		98,195	-	2,138	100,333	(15,828)
Funds brought forward at 1 January 2004		63,053	-	-	63,053	78,881
Funds carried forward at 31 March 2005		161,248	-	2,138	163,386	63,053

The Statement of Financial Activities includes all gains and losses recognized in the year.
All incoming resources and resources expended derive from continuing activities.

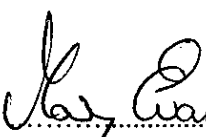
The notes on pages 9 to 12 form part of these financial statements.

DYSLEXIA SCOTLAND
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BALANCE SHEET
As at 31st March 2005

	Notes	2005	2003
		£	£
Fixed Assets			
Office Equipment	8	6,927	1,711
Current Assets			
Bank		171,395	58,868
Cash		125	20
Stock		250	250
Debtors	9	35	6,754
		<u>171,805</u>	<u>65,892</u>
		178,732	67,603
Current liabilities: Amounts falling due within one year	10	<u>15,346</u>	<u>4,550</u>
Net assets		<u><u>163,386</u></u>	<u><u>63,053</u></u>
Capital and reserves			
Unrestricted funds:			
Designated funds		-	-
General funds		161,248	63,053
Restricted funds	11	<u>2,138</u>	<u>-</u>
		<u><u>163,386</u></u>	<u><u>63,053</u></u>

The financial statements were approved by the Board of Directors on 18th May 2005 and were signed on its behalf by


..... Director
Mary Evans

The notes on pages 9 to 12 form part of these financial statements.

DYSLEXIA SCOTLAND
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NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31st March 2005

1. Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in October 2002, applicable accounting standards and the Companies Act 1985.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Depreciation

Depreciation is provided by the company to write off the cost or valuation of fixed tangible assets over their estimated useful economic lives as follows:

Office equipment	25% straight line
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Charitable status

The company is recognised by the Inland Revenue as a charity.

Donations and grants

Income from donations and grants, including capital grants, are included in incoming resources when these are receivable.

VAT

The company is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on a reasonable basis.

Stock

Stock is included at the lower of costs or net realisable value.

Fund Accounting

- *Unrestricted funds*-these funds are funds which can be used in accordance with the charitable objects at the discretion of the directors.
- *Designated funds*-these are funds set aside by the Directors out of unrestricted general funds for specific future purposes or projects.
- *Restricted funds*- these funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

DYSLEXIA SCOTLAND
(A Company Limited by Guarantee with Charitable Status)

	15 Mths 2005 £	12 Mths 2003 £
2. Donations & Legacies		
General Fund		
Sir Jackie Stewart	50,000	-
Sir Peter Burt	7,800	-
Legacy-Mr Robert Davidson	-	8,693
Lloyds TSB	-	9,900
MacRobert Trust	5,000	5,000
LABDA	-	2,000
Anonymous	8,500	-
Other donations under £1,000	3,384	4,030
	<u>74,684</u>	<u>29,623</u>
3. Grant Funding		
Scottish Executive Capital Grant	2,851	-
Scottish Executive HQ Grant (15 months)	54,500	31,405
Scottish Executive Transition Dyslexia	7,440	-
Scottish Executive Dissemination Event	10,000	-
Communities Scotland	8,500	-
	<u>83,291</u>	<u>31,405</u>
4. Scottish Dyslexia Trust		
Following the decision to merge with Scottish Dyslexia Trust, £100,000 was received during the accounting period. The balance of the funds (amounting to £46,309) were agreed and transferred during April 2005.		
5. Other Income		
Sale of books and publications	602	1,617
Workshops and screening fees	-	1,896
Memberships	10,976	8,385
Sundry income	1,249	527
	<u>12,827</u>	<u>12,425</u>

DYSLEXIA SCOTLAND
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	15 Mths 2005 £	12 Mths 2003 £
6. Detailed operating expenses		
Premises	24,534	13,133
Staff salaries & NIC	70,393	63,723
Office expenses	19,223	11,011
Travel	8,297	2,172
Professional Indemnity Insurance	737	336
Subscriptions	660	332
Books and publications	2,357	2,492
Conferences and courses	21,157	20,022
Branch support	2,002	1,980
Advertising	16,811	2,953
Accountancy and payroll services	270	585
Audit fees	850	-
Sundry expenses	470	338
Depreciation	4,160	1,126
Repairs & renewals	270	122
	<u>172,191</u>	<u>120,325</u>
7. Project Expenses		
Handbook	8,500	-
Dissemination Event	10,000	-
Film	10,000	-
Transition Dyslexia	7,440	-
	<u>35,940</u>	<u>-</u>
8. Fixed Asset	£	£
Cost	Office Equip.	Office Equip.
Cost at 1 Jan. 2004	4,502	3,648
Additions in year	9,376	854
	<u>13,878</u>	<u>4,502</u>
Depreciation		
Balance at 1 Jan. 2004	2,791	1,665
Charge in year	4,160	1,126
	<u>6,951</u>	<u>2,791</u>
NBV at 31 March 2005	<u>6,927</u>	<u>1,711</u>

DYSLEXIA SCOTLAND
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	15 Mths 2005 £	12 Mths 2003 £
9. Debtors		
Capital grant receivable	-	5,873
Other debtors & prepayments	<u>35</u>	<u>881</u>
	<u>35</u>	<u>6,754</u>
10. Creditors: Amounts falling due within one year		
Accruals	9,549	900
Other creditors	<u>5,797</u>	<u>3,650</u>
	<u>15,346</u>	<u>4,550</u>
11. Funds		

	Balance 1 January 2004 £	Incoming Resources £	Funds Utilised £	Transfer £	Balance 31 Mar 2005 £
General Funds	63,053	225,173	(126,978)	-	161,248
Restricted Funds	<u>-</u>	<u>83,291</u>	<u>(81,153)</u>	<u>-</u>	<u>2,138</u>
	<u>63,053</u>	<u>308,464</u>	<u>(208,131)</u>	<u>-</u>	<u>163,386</u>

12. Staff

The average number of staff employed during the 15 month period equated to 3 full time positions. No member of staff was paid over £50,000.

13. Post Balance Sheet Event

Since the period end, the balance of the funds from Scottish Dyslexia Trust has been received (see note 4).