

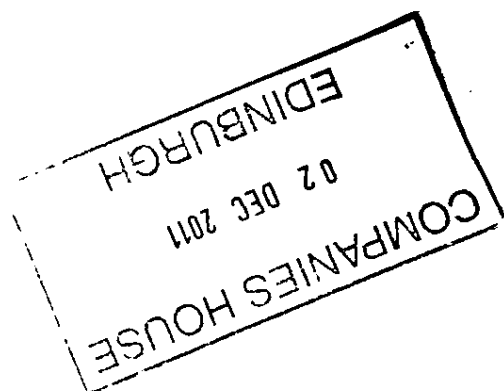
DYSLEXIA SCOTLAND

(A Company Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

Charity no: SC000951

Company Number: SC153321



DYSLEXIA SCOTLAND
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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DYSLEXIA SCOTLAND
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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011

The Directors submit their report together with the financial statements for the year ended 31 March 2011.

Reference and Administrative Information

Charity name Dyslexia Scotland

Charity number SC000951

Company number SC153321

**Registered Office and
Operational address** Stirling Business Centre
Wellgreen
Stirling
FK8 2DZ

Directors David Shaw (Chair)
Mary Evans
Fiona Dickinson
Linda Kerr (Resigned 10th November 2010)
Mary Jane Bird
Lady Susan Agnew
Jim McGregor
John Andrew
Colin Williamson (Co-opted 11th March 2011)

Secretary Cathy Magee

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

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

DYSLEXIA SCOTLAND
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DIRECTORS' REPORT (CONTINUED)

Structure, governance and management

Governing document

Dyslexia Scotland was formed in 2003 and is recognised as the major organisation representing the needs and views of dyslexic people in Scotland. Dyslexia Scotland is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20th March 2003 and subsequent versions as changed by Special Resolution on 20th May 2005, on 4th October 2009 and on 13th November 2010. It is registered as a charity with the Inland Revenue.

Governing Structure and Appointment of Directors

Dyslexia Scotland consists of the Board of Directors, the Members' Representative Council, local Branches, the Adult Network and individual Members. It has five staff members, three full time and two part time. The Board is made up of a minimum of five and a maximum of nine Directors, not less than three of whom are Council members nominated by the Council. The Members' Representative Council which advises the Board is comprised of all current Directors of the company, the Company Chair, one representative of each of the Branches, one member of the Adult Network and any other persons as appointed by the Council. The minimum number of members of the Council is two Directors and two Branch representatives.

The Company Chair and Directors are elected at the Annual General Meeting. The Company Chair, who must be a member, acts as the Chair of the Board of Directors. Re-appointment of Directors by members at the Annual General Meeting may occur on a rolling basis following every three-year term served by each Director. The Directors may also co-opt other persons to the Board of Directors, with a limit of two persons at any one time.

Director induction and training

After election an induction programme is offered to all new Directors. In addition all Directors receive ongoing access to training as appropriate and an information pack that contains the Memorandum and Articles of Association, roles and responsibilities of being a Director, and background information on the charity.

Organisation

The full Board of Directors meets at least quarterly (in the reporting period it met six times). There are six Strategic Plan Sub Groups responsible for implementing key aspects of the three year strategic plan. These Sub Groups report to the Board of Directors. The Board receives accounts at each meeting. The Board also spends a day each year undertaking a strategic review and forward planning for the charity. Progress against strategic objectives is discussed at each meeting. The Board has delegated powers to make certain day-to-day decisions regarding the charity's operations to the Chief Executive. A work plan and budget is agreed by the Board.

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DIRECTORS' REPORT (CONTINUED)

Risk management

The annual strategic review and forward planning event considers the risks to which the charity is exposed and identifies what needs to be in place to manage these risks through the year. The risks faced by the company fall into two categories, internal and external.

The Board of Directors completes a Risk Management Analysis each year and reviews it at regular intervals. 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 company. The current economic climate continues to present challenges for Dyslexia Scotland, which the Board will manage and monitor. However the continued support from both private and public sectors is encouraging and should ensure the long-term financial stability of the company.

Any variation from the business has an associated risk assessment that is presented to the Board of Directors.

Related parties

Dyslexia Scotland works closely with the Scottish Government and other funding partners to manage funded research projects, such as the 'Assessing Dyslexia' toolkit resource, and the dissemination of their findings.

Objectives and activities

Dyslexia Scotland is recognised as the national voluntary organisation representing the needs and views of dyslexic people in Scotland.

Dyslexia Scotland aims "to enable and encourage dyslexic people, regardless of their age and abilities, to reach their full potential in education, employment and in life" through:

- The advancement of education of persons in Scotland suffering from dyslexia or related conditions
- The provision of training for teachers specially for dyslexic persons; and
- The advancement of the education of the general public throughout Scotland concerning dyslexia and all other forms of dyslexic conditions.

The three strategic aims for 2010 – 2012 are as follows:

- 1) To provide high quality services to enable children, young people and adults with dyslexia to reach their potential
- 2) To influence positive change at a national level
- 3) To develop and maintain a sustainable and coherent structure within Dyslexia Scotland

Dyslexia Scotland provides certain core services:

- the confidential National Helpline
- a national Tutor List
- an in-house Resource Centre, information leaflets and guides
- assessments for children and adults at our premises
- conferences, road shows and other training events

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DIRECTORS' REPORT (CONTINUED)

Objectives and activities (continued)

- support of a range of initiatives and projects for the Scottish Government and other partners
- support for existing Branches and the development of new ones
- an Adult Network that meets quarterly
- a range of local services provided through the branch network
- a quarterly magazine for members
- a website – www.dyslexiascotland.org.uk

Achievements and performance

Dyslexia Scotland launched its three-year strategic plan in April 2009. Annual reviews in January 2010 and January 2011 showed that the majority of the key targets had been met or exceeded in the first and second years of the plan.

Key highlights during the reporting period under each of the three strategic aims are as follows:

Aim One - High quality services for children, young people and adults with dyslexia

- There were a total of 1583 calls to the Helpline (an increase of 5% on the previous year) and 343 enquiries for tutors (an increase of 5%). The top 4 reasons for calling the Helpline were to find out about Assessments, Private tuition, General information and Children's rights. 60% of the Helpline calls were from parents about children, 28% were from adults, with the remaining 12% of calls from others who support or work with dyslexic people
- The website continues to receive very positive feedback. The number of hits (2,617,375) has almost tripled since last year and the number of visitors (145,924) has increased by 15% compared to the same period the previous year. Dyslexia Scotland set up a Facebook page in April 2011 which has over 200 'Likes' at the time of writing
- A total of 1594 people attended our events this year, including Adult Network meetings; Road shows in the Borders; Dyslexia Awareness Week activities; Training events for employers across different sectors; the Education conference; the fourth Adult Dyslexia conference; Tutors' Seminars and training events for volunteers. Feedback shows that these events have increased awareness and dyslexia-friendly practice, which in turn should lead to improvements for people with dyslexia. There were also regular public events held across Scotland by the 12 volunteer-led branches during the reporting period
- 43 assessments (for 6 adults and 37 children) were carried out in the reporting period on our premises by Dr. Gavin Reid, an educational psychologist, as part of a service piloted in 2010. As this service received very positive evaluation by those who were assessed, we have decided to continue the service for both children and adults. Bookings for the service continue to be fully subscribed.

What difference do these services make to the people who use them?

"Excellent – really made a difference and even if exam results don't bear this out, the confidence and self-belief engendered in my son were really positive outcomes. He no longer feels stupid." **(Parent about her son's tutor)**

"I wanted to have an assessment for my son as he was having such severe difficulties. This has made it easier for him as he has been told that he does have difficulties and there are ways to help him...now his school is supporting him more where he needs it". **(Parent about her child's assessment)**

"I also wanted to commend you on how helpful your website and staff have been. Thanks for everything" **(Parent about the service she had from the local branch, website and national Helpline).**

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DIRECTORS' REPORT (CONTINUED)

Achievements and performance (continued)

"This was my first Dyslexia Scotland Adult Network Meeting. At the start of the day I felt excited to be meeting new people and was anticipating a day of sharing experiences of the past and making new experiences on the day. At the end of the day I felt very tired, but very happy. It was good to be sat in a room full of other people who feel the same frustrations as I do." **(Adult dyslexic)**

"There were lots of good ideas to try out in the class. My eyes were opened to some of the issues dyslexics face." **(Primary school teacher about the Road shows)**

Aim Two - Influencing positive national change: key highlights

- Sir Jackie Stewart continues to campaign passionately as President of Dyslexia Scotland on behalf of people with dyslexia of all ages. In the past year, he has highlighted the importance of early intervention in order to prevent the potentially long term negative consequences of unsupported dyslexia on individuals and on society. He has continued to visit a number of prisons, to encourage prisoners to take up learning opportunities and he has also raised these issues with the First Minister and Cabinet Ministers. Dyslexia Scotland has been a key partner in the development of a literacy strategy in Saughton prison and at the time of writing the Scottish Prison Service and Dyslexia Scotland have agreed to develop a DVD for prisoners with learning difficulties.
- Following Sir Jackie's input at national conferences for local authorities last year, Dyslexia Scotland has continued to work closely with COSLA, presenting two seminars in the reporting period to raise awareness amongst Councillors and local authority leaders about dyslexia and its impact on workforce, health and behavioural issues.
- The comprehensive online 'Assessing Dyslexia' toolkit for teachers to identify and assess literacy difficulties and dyslexia was launched in June 2010 by Sir Jackie and Mike Russell, Cabinet Secretary for Education. Four dissemination events took place in October and November 2010 for all 32 local authorities. The toolkit has been well received by teachers and local authorities and continues to be maintained with Scottish Government support. In March 2011, the toolkit was endorsed in a letter to all Directors of Education in Scotland by Mike Russell, Cabinet Secretary for Education. At the time of writing, discussions are under way for the toolkit to be extended to support pupils with dyslexia.
- Dyslexia Scotland developed an unusual, stimulating and varied programme of events in Edinburgh in Dyslexia Awareness Week 2010 on the theme of 'Hidden Dyslexia'. This was done through close partnership working with Edinburgh City Libraries and BNY Mellon. The events attracted a lot of media interest and plans are under way in 2011 to run events across Scotland during Dyslexia Awareness Week.

Aim Three - Sustainable structure within Dyslexia Scotland: Key highlights

Governance:

- One Director, Linda Kerr stepped down from the Board in November 2010. Our sincere thanks go to Linda for her dedication to the Board during her term. Colin Williamson was nominated by the Members' Representative Council to be co-opted to the Board in March 2011. The Board has met six times in the reporting period as well as actively serving on the Strategic Plan sub groups throughout the year.
- The Funding Group has continued to take a proactive and systematic approach to securing sustainable funding in order to deliver our strategic aims. This remains an ongoing challenge in the current financial climate. We have been successful in securing funding for the Chief Executive post for 3 years from November 2010 and in extending the funding for the National Development Officer post until early 2014, as well as continuing to receive core and project funding from the Scottish Government. We have also secured part funding for a volunteers' manager post, subject to matching that funding, and funding to train volunteer Helpline advisers. At the time of writing, that volunteer training is underway.

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DIRECTORS' REPORT (CONTINUED)

Achievements and performance (continued)

- Following the positive review of Dyslexia Scotland by Her Majesty's Inspectorate of Education (HMIE) in May 2010, Dyslexia Scotland developed an action plan to take forward the recommendations with regard to the Adult Network and tutoring service. At the time of writing, some of the recommendations had already been implemented.

Branches:

- Hannah Pugh left her post as National Development Officer in September 2010 and Susan Rodger took up the post in February 2011. Since taking up post, Susan has encouraged a further 3 local branches (Fife, Borders, and Inverness) to join the network of volunteer-led local branches across Scotland offering support at a grassroots level. At the time of writing, there are 15 branches.
- An electronic forum was set up in February 2011 to enable branch volunteers to communicate with each other as well as with staff and Board members, to share ideas and news about the activity in their branches. A range of different styles of Council meetings have also been tried out, to encourage participation from as many branch chairs as possible.

Membership:

- The numbers of people taking up our services over the past year has continued to increase but Dyslexia Scotland's membership numbers have remained stable during the reporting period. A new membership poster was distributed widely in February 2011 and in October and November 2011, members will be asked for views on our membership package at a series of regional consultation events on the way forward.
- In 2010/11, we secured our first corporate membership package with NHS Education for Scotland which started in April 2011. The package includes access to Dyslexia Scotland consultancy advice, discounts on assessments and conferences and quarterly mailings for staff.

Volunteers:

- With a small staff core team, Dyslexia Scotland depends on the contribution of volunteers to meet our aims and objectives. There were 90 active volunteer roles within HQ in the reporting period, in addition to at least 45 branch committee members who help at local level. The national roles include advisory and governance support, book keeping; leaflet dissemination; awareness-raising trainers and speakers; Resource Centre support; fundraisers; Adult Network chair; event support and delivery; photographers; artists; voice recordings; project organisers
- The Strategic Plan is delivered by six sub groups (Funding, Membership, Media Advice, Events, Publications, Policy) who report to the Board of Directors on progress between meetings

Financial review

A surplus of £10,207 arose during the year (2010: deficit £91,920). During the year nine branches which operated under the charity number of Dyslexia Scotland are incorporated in the accounts. At the year end £169,618 (2010: £ 159,411) of reserves remained unspent and carried forward.

Principal funding sources

Dyslexia Scotland was the recipient of a number of generous donations in the financial year 2010-11. These include the remainder of the 3-year Laidlaw Youth Trust grant and the start of a 3-year funding commitment from October 2010 for the Chief Executive post from an anonymous donor, as well as an extension of a grant from the Eranda Foundation for the National Development Officer post. They also include a grant from the Ardgowan Trust for unrestricted core funding and a grant for volunteer media training from the Blackford Trust. We wish to record our warmest appreciation for these generous donations.

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DIRECTORS' REPORT (CONTINUED)

Financial review (continued)

Other principal funding sources for the year under review are: the Scottish Government, donations, and income generated by the activities of the charity such as training and assessments. Other than funding from the Scottish Government, and the sources mentioned above, the principal funding sources have been unrestricted contributions to the core costs of the charity and as such have been applied in support of all its key objectives.

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to invest any money that the company does not immediately require in any investments, securities or properties. As there are few funds for long-term investment the Directors, having regard to the liquidity requirements of operating the charity and to the reserves policy, have operated a policy of keeping available funds in an interest bearing bank account.

Reserves policy

The Board has set a target to build its reserves to a level equivalent to three months running costs for the organisation.

Statement of directors' responsibilities

The directors (who are also trustees for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In so far as the directors are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and each director has taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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DIRECTORS' REPORT (CONTINUED)

Disclosure of information to auditors (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation of and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The directors, who are trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Auditors

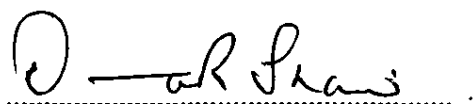
Gregor Clark & Co, Chartered Accountants (C.A.s) have expressed their willingness to continue in office as auditors to the company.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting of Charities (issued in March 2005) and in accordance with the provision of Part 15 of the Companies Act 2006 relating to small entities.

In conclusion

As this report has highlighted, 2010–11 has been another productive year during which the key targets set out in the Strategic Plan were met and in some cases even exceeded. We would like to thank our President and Vice President and everyone on the Board and Council, branches, volunteers and staff for their hard work throughout the year, as well as our members and supporters for their ongoing dedication to Dyslexia Scotland's work.

It remains an ongoing challenge to secure funding to support existing levels of demand whilst also seeking to expand and improve our services. Several funding streams came to end in 2010/11 and the hard work of the Funding Group, together with the influential support of our President, has meant that we were successful in securing alternative sources or extensions. The current economic climate means that securing funds from Trusts and other sources is even harder, coupled with reduced opportunities to generate income as a result of reduced take up of fee paying services (e.g. training and conferences for the public sector). However as the Funding Group has taken a systematic approach to its fundraising we are confident that Dyslexia Scotland is in a strong position to meet this challenge over the coming year and to successfully secure our financial targets in 2011/12.



David Shaw
Board Chair

19th Nov, 2011

DYSLEXIA SCOTLAND
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REPORT OF THE AUDITORS

Independent auditors' report to the directors and members of Dyslexia Scotland

We have audited the financial statements of the Dyslexia Scotland for the year ended 31 March 2011 set out on pages 11 to 19 which comprise of the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibility Statement [set out on page 7], the directors (who are also trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Audit Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

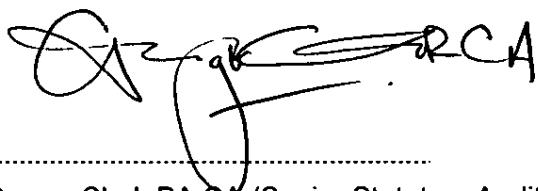
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REPORT OF THE AUDITORS (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration required by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....
Gregor Clark BA CA (Senior Statutory Auditor)

For and on behalf of Gregor Clark & Co., Statutory Auditors

Gregor Clark & Co. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

54 Manor Place
Edinburgh

23rd November 2011

DYSLEXIA SCOTLAND
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STATEMENT OF FINANCIAL ACTIVITIES
(Including Income & Expenditure Account)
For the Year Ended 31 March 2011

	Notes	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Total Funds 2011 £	Total Funds 2010 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income:</i>					
Grants	2	10,750	161,022	171,772	151,195
Donations and legacies	3	58,587	-	58,587	45,935
<i>Investment income</i>	4	1,269	683	1,952	1,591
		<u>70,606</u>	<u>161,705</u>	<u>232,311</u>	<u>198,721</u>
<i>Incoming resources from charitable activities:</i>	5	41,012	261	41,273	16,762
Total incoming resources		<u>111,618</u>	<u>161,966</u>	<u>273,584</u>	<u>215,483</u>
Resources expended					
<i>Charitable activities</i>					
Projects	6	76	31,840	31,916	74,391
Helpline and advice	6	31,355	94,656	126,011	135,239
Training and conferences	6	52,340	38,869	91,209	83,556
		<u>83,771</u>	<u>165,365</u>	<u>249,136</u>	<u>293,186</u>
<i>Governance costs</i>	6	9,257	4,984	14,241	14,217
Total resources expended		<u>93,028</u>	<u>170,349</u>	<u>263,377</u>	<u>307,403</u>
Net movement in funds		18,590	(8,383)	10,207	(91,920)
<i>Reconciliation of funds:</i>					
Total funds brought forward		91,373	68,038	159,411	251,331
Total funds carried forward	15	<u>109,963</u>	<u>59,655</u>	<u>169,618</u>	<u>159,411</u>

The statement of financial activities includes all gains and losses recognised in year.
All incoming resources and resources expended derive from continuing activities.
The notes at pages 13 to 19 form part of these financial statements.

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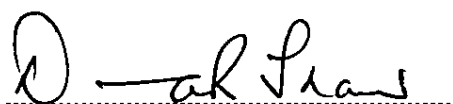
BALANCE SHEET
As at 31 March 2011

	Notes	2011	2010
		£	£
Fixed assets			
Tangible fixed assets	11	2,902	1,647
Current assets			
Stock		210	4,535
Debtors and accrued income	12	8,206	1,630
Cash at bank and in hand		261,686	259,140
Cash at bank and in hand – branches		<u>16,292</u>	<u>8,967</u>
		286,394	274,272
Current liabilities			
Creditors falling due within one year	13	(8,941)	(7,546)
Deferred income	13	<u>(110,737)</u>	<u>(108,962)</u>
Net current assets		166,716	157,764
Net assets		<u>169,618</u>	<u>159,411</u>
The funds of the charity			
Unrestricted general income funds		109,963	91,373
Restricted income funds		59,655	68,038
	14	<u>169,618</u>	<u>159,411</u>

The notes at pages 13 to 19 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 19th Nov 2011 and were signed on its behalf by:



David Shaw
Board Chair

DYSLEXIA SCOTLAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2011

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards, and the Companies Act 2006.

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 2006.

(b) Fund Accounting

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

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Income is deferred when performance related grants are received in advance of the performances or event to which they relate.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. The company is not registered for VAT and accordingly irrecoverable VAT is charged against the category of resources expended to which it relates.

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services to its beneficiaries. It includes both the direct costs and indirect costs necessary to support these activities.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis e.g. estimated usage, staff costs by the time spent.

DYSLEXIA SCOTLAND
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2011

3. Donations and legacies

	2011	2010
	£	£
Unrestricted general funds:		
Other donations under £1,000	5,561	6,321
Other donations over £1,000	-	10,995
Legacies	1,500	-
Ardgowan Trust	50,000	-
Gift Aid tax recovered	1,448	2,048
Diageo Ltd	-	25,000
Branches - donations	78	599
Branches - cash reserves introduced	-	972
	58,587	45,935

4. Investment income

Investment income relates to interest earned on bank accounts. Included in this amount is £8 (2010: £16) which relates to interest earned on the branches' bank accounts.

5. Incoming resources from charitable activities

	2011	2010
	£	£
Unrestricted general funds:		
Membership fees	10,665	9,565
Conference fees	24,995	-
Training income	670	1,868
Sale of books and publications	15	44
Assessment income	3,015	1,845
Sundry income	1,097	969
Branches – other income	555	2,007
Restricted funds:		
DSSE Project – packs and training	261	464
	41,273	16,762

DYSLEXIA SCOTLAND
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2011

6. Resources expended

	Projects £	Helpline & advice £	Conferences & training £	Governance £	2011 Total £	2010 Total £
Direct costs						
Staff costs	13,084	83,408	27,803	6,542	130,837	136,326
Staff travel & subsistence	352	2,243	748	176	3,519	5,065
Board costs	-	-	-	1,269	1,269	1,742
Volunteer expenses	-	258	508	40	806	2,734
Training	-	-	1,092	-	1,092	2,211
Books & publications	-	-	-	-	-	1,989
Education conference costs	-	-	20,755	-	20,755	-
Adult conference costs	-	-	5,118	-	5,118	14,192
Roadshows	-	910	-	-	910	2,458
RBS Projects	3,627	-	-	-	3,627	6,313
Advertising	-	756	1,489	118	2,363	2,778
Professional indemnity	-	131	258	20	409	441
Accountancy & payroll	-	181	356	28	565	456
Audit fees	-	-	-	1,750	1,750	1,500
Fundraising	-	59	117	9	185	5,675
Branch costs	-	2,607	-	-	2,607	1,974
Assessment Working Group	12,022	-	-	-	12,022	29,906
Website	76	-	1,738	-	1,814	24,032
Dyslexia Awareness Week	919	-	-	-	919	-
Volunteer media training	1,836	-	-	-	1,836	-
Support costs						
Premises	-	21,708	7,236	1,523	30,467	30,810
Office expenses	-	10,298	20,274	1,609	32,181	27,998
Professional fees	-	263	517	41	821	2,198
Subscriptions	-	259	510	40	809	408
Depreciation	-	550	1,083	86	1,719	975
Branch support	-	102	202	16	320	1,849
Branch expenses	-	1,564	-	-	1,564	1,597
Recruitment costs	-	-	-	862	862	-
Sundry	-	714	1,405	112	2,231	1,776
	31,916	126,011	91,209	14,241	263,377	307,403

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2011

7. Staff costs and numbers

	2011	2010
	£	£
Salaries and wages	113,336	117,966
Social security costs	11,010	11,444
Pension costs	6,491	6,916
	130,837	136,326

No employee received emoluments of more than £60,000.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2011	2010
	Number	Number
Charitable projects	2	2
Administrations and support	3	3
	5	5

8. Directors' remuneration and related party transactions

During the period under review, three directors received reimbursement for expenses incurred amounting to £1,186 (2010: four directors £4,040). The expenses included travel, subsistence and other miscellaneous expenses.

No other members of the board of directors received any remuneration during the year.

No other director or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2010 – Nil).

9. Movement in total funds for the year

	2011	2010
	£	£
This is stated after charging:		
Depreciation	1,719	975
Auditor's remuneration:		
External audit	1,750	1,500

10. Taxation

The company is a registered charity and no provision is considered necessary.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2011

11. Fixed assets

	Office Equipment £	Total £
Cost		
As at 1 April 2010	23,267	23,267
Additions	2,974	2,974
Disposals	-	-
As at 31 March 2011	<u>26,241</u>	<u>26,241</u>
Depreciation		
As at 1 April 2010	21,620	21,620
Charge for year	1,719	1,719
Eliminated on disposal	-	-
As at 31 March 2011	<u>23,339</u>	<u>23,339</u>
Net Book Value		
As at 31 March 2011	<u>2,902</u>	<u>2,902</u>
As at 31 March 2010	<u>1,647</u>	<u>1,647</u>

12. Debtors falling due within one year

	2011 £	2010 £
Trade debtors	7,612	435
Prepayments	594	1,195
	<u>8,206</u>	<u>1,630</u>

13. Creditors falling due within one year

	2011 £	2010 £
Trade creditors	4,423	5,423
Accruals	4,518	2,123
	<u>8,941</u>	<u>7,546</u>
Deferred income:		
Bank of New York	12,281	-
Eranda Foundation	91,612	63,050
Laidlaw Youth Trust	-	45,732
Other	6,844	180
	<u>110,737</u>	<u>108,962</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 March 2011

14. Analysis of net assets between funds

	Total Funds 2010 £	Unrestricted General Funds £	Restricted Funds £	Total Funds 2011 £
Tangible fixed assets	1,647	2,902	-	2,902
Current assets	274,272	116,002	170,392	286,394
Current liabilities	(116,508)	(8,941)	(110,737)	(119,678)
Net Assets	159,411	109,963	59,655	169,618

15. Movement in funds

	As at 1 April 2010 £	Incoming Resources £	Outgoing Resources £	As at 31 March 2011 £
Unrestricted general funds	91,373	111,618	(93,028)	109,963
Restricted funds	68,038	161,966	(170,349)	59,655
Net Assets	159,411	273,584	(263,377)	169,618

The restricted reserves comprise amounts received from the Laidlaw Youth Trust and the Eranda Foundation unspent at the year end.

16. Post balance sheet events

There were no significant post balance sheet events.