

**COMPANY NUMBER: 1830587**  
**CHARITY NUMBER: 289243**

**BRITISH DYSLEXIA ASSOCIATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**British Dyslexia Association**  
**Report and financial statements**  
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**British Dyslexia Association**  
**Company information**  
**For the year ended 31 March 2007**

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**President:**

Baroness Warnock of Weeke

**Vice President:**

The Lord Addington  
Diana Baring  
Dr Angela Fawcett  
Lady Jane Lloyd  
Professor Tim Miles OBE PhD FBPsS  
Sir Nicholas Monck KCB  
Professor Kevin Morley  
Professor Peter Pumfrey CPsychol FBPsS  
The Lord Renwick  
Professor Margaret Snowling  
Sir Jackie Stewart OBE  
Anne Watts CBE

**Secretary:**

Judi Stewart

**Executive Officers:**

Chief Executive	Judi Stewart
Education Director	Jennifer Owen Adams
Development Director	Vicki McNicol

**Registered Office:**

98 London Road  
Reading  
Berkshire  
RG1 5AU

**British Dyslexia Association**  
**Company information**  
**For the year ended 31 March 2007**

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**Bankers:**

Barclays Bank plc  
Reading Branch  
Mid Thames Group  
P O Box 27  
Reading RG1 2HD

Lloyds TSB Bank plc  
1 Market Place  
Reading RG1 2EQ

National Westminster Bank plc  
Henley-on-Thames Branch  
18 Market Place  
Henley-on-Thames  
OXON RG9 2AP

**Solicitors:**

Bircham Dyson Bell  
50 Broadway  
London SW1H 0BL

**Auditors:**

Dendy Neville Limited  
3-4 Bower Terrace  
Tonbridge Road  
Maidstone  
Kent, ME16 8RY

## **Trustees' Report**

The Board of Trustees of the British Dyslexia Association charity (the Charity) present their annual report for the year ended 31 March 2007 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for that year.

### **Trustees**

The present trustees and any past trustees who served the company as trustees and directors during the year were as follows:

Margaret Malpas (co-opted 7 June 2007, appointed Chairman 30 June 2007)

Richard Phillips (Acting Chairman from January 2006 to June 2007)

Nigel Gowing (Honorary Treasurer, resigned 24 April 2007)

Louise Green

Hugh Payton

Jack Haymer

Trevor Hobbs

Jim Malpas (appointed 20 January 2007, appointed Honorary Treasurer 28 June 2007)

Ruth Gwernan Jones (appointed 20 January 2007)

Professor Robert Burden (co-opted 21 March 2006)

Susan Tresman (co-opted 15 April 2006, resigned December 2006)

John Mackenzie (co-opted 19 March 2007)

Dr Nicola Brunswick (appointed 30 June 2007)

### **Reference and administrative details**

The British Dyslexia Association, also known as the BDA, is a registered charity (no. 289243) and a company number (1830587) limited by membership guarantees. Its registered office is shown on page 1.

### **Structure, governance and management**

The Charity was incorporated on 5 July 1984 and is governed by its Memorandum and Articles of Association which was last amended by resolution dated 19 November 2005. The Board of Trustees is made up of not less than ten and not more than fourteen people comprising:

- a Chairman nominated by the Board by reason of possessing skills considered necessary and appointed in general meeting;
- three individuals drawn from the members of the Local Associations;
- three individuals drawn from the Individual Members;
- two individuals drawn from the members of the Organisational Members;
- one individual drawn from the members of the Support Groups; and
- up to four individuals co-opted by the Board by reason of possessing skills considered necessary including a Treasurer and a legally qualified person.

The Board of Trustees are responsible for the overall governance of the Charity and have the right to exercise all the powers of the charity subject to the provisions of the Companies Act 1985, the Memorandum and Articles and directions given by special resolution.

Trustees are required to meet four times a year. They review strategy and operational performance and agree operating plans and budgets. The BDA Senior Management Team attends meetings.

New Trustees receive an induction which includes face-to-face training and a pack which contains extensive information to help them understand what is required of them and to facilitate effective performance.

The Board delegates the exercise of certain powers in connection with the management and administration of the charity as set out below. This is controlled by requiring regular reporting back to the Board, so that all decisions made under delegated powers can be ratified by the full Board in due course. All minutes are tabled at Board meetings.

### **Finance Committee**

The Finance Committee meet once a quarter, and comprise the Honorary Treasurer, Chairman, Chief Executive and Finance Manager.

### **Local Association Board**

The Local Association Board (LAB) established under a Byelaw made by the Board continues to be the regular link between the network of Local Dyslexia Associations across England, Wales and Northern Ireland and the Trustee body.

It has thirteen representatives who meet regularly and represent Local Associations. They discuss ideas and concerns covering all ages and all aspects of dyslexia in Education, Employment and the Community. It nominates three Trustees. Most of its members are dyslexic themselves which helps them to understand the issues and their impact.

### **Organisational Members Committee**

The Supporting Corporate Members Committee provided for in the former constitution ceased to exist formally when that constitution was replaced. The members of the former committee have continued to meet informally. The Board has discussed the position with representatives of the organisational members and has recently made a Byelaw to constitute an Organisational Members Committee which will be a forum for those members. Work is in progress on the establishment of the Committee which will nominate two trustees.

### **Accreditation Board**

In educational terms, the Accreditation Board underpins the highest level work of the BDA. Accreditation, through this Board, is recognised as the accolade in teacher training internationally and is held in high regard by UK government bodies.

Currently, the BDA Accreditation Board fulfils a number of different roles and functions:

- It awards individual qualifications to those who successfully complete approved courses.
- It approves courses based on detailed assessment of course content and on inspection visits.
- It actively works with academic institutions in order to develop courses.
- It sets standards and criteria.

### **Advisory Groups**

There are two Advisory Groups who provide the Trustees with expert information as well as assisting the Charity with its work. They are:

- i) **New Technologies Committee** works to raise awareness of information and communication technologies (ICT) for dyslexia. Members of the committee attend three meetings a year. Part of their remit is to raise the profile of the use of ICT in schools to support Dyslexic learners. Committee members give talks with demonstrations, write articles and take part in events and exhibitions. They promote the potential of ICT in helping to overcome the challenges faced by dyslexic people. A representative of the BDA team attends committee meetings.
- ii) **Music Committee** supports the BDA Helpline with advice on examination issues related to the Association Board of the Royal Schools of Music and advises music students and professionals on all aspects of music and dyslexia. Members of the committee write publications and produce the music and dyslexia information sheet on the BDA website. A representative of the BDA attends committee meetings.

### **Management**

The Chief Executive is responsible for the day to day management of the Charity's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by a group of executives and senior managers which include the Development Director and the Education Director.

### **Group Structure**

The charity has a wholly owned subsidiary: BDA (Initiatives) Limited. It carries out non-charitable trading activities to raise funds for the Charity.

### **Corporate Governance**

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board of Trustees.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties; and
- identification and management of risks.

### **Risk Management**

The Trustees have developed a risk management process to assess and manage the business risks. This is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have been taken into account in the three-year Strategic Plan which will allow for the diversification of funding activities. Internal control risks are minimised by the implementation of procedures for authorisation and all transactions. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the Reading office.

### **Object, Strategic Objectives and Principal activities of the Charity**

The constitution, which was adopted at an Extraordinary General Meeting of the Charity in May 2005, allows for a membership organisation in which there are four classes of member:

- Local Associations;
- Support Groups (similar to Local Associations but not meeting the same criteria and not necessarily registered charities in their own right)
- individual members; and
- Organisational Members – any organisation which wishes to support the Charity.

**British Dyslexia Association**  
**Trustees' report (continued)**  
**For the year ended 31 March 2007**

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The constitution allows the Board to make administrative arrangements under the constitution by means of Bye Laws which have to be published as the Board thinks fit, and which can be amended or annulled by a majority vote in a general meeting. So far the Board has made a Byelaw in relation to:

- Local Associations (whose effect was to reproduce the previous arrangements relating to them); and a subsequent amendment to that byelaw in December 2006 allowing the trustee representation from the local associations to be elected by the Local Association Board.
- Organisational Members committee whose purpose is to provide for discussion and co-operation in the development of exhibitions and other activities to advance the purposes of the BDA. It also allows for the committee to nominate trustees from the Organisational Members section of the membership.

The Charity's objects are:

“to advance the education of dyslexic people of all ages in relation to all aspects of dyslexia and related conditions, and to conduct research for the public benefit into the problems of dyslexia and related conditions and to disseminate the results of such research”.

**Strategic objectives**

Our strategic objectives are:

- to achieve a broad and inclusive membership, increasing the number of members and fostering a sense of belonging and identity in our members
- be visible and raise the public awareness of dyslexia and the profile of the BDA
- remove barriers to dyslexic people by improving the level of dyslexic specific expertise
- support those at risk of disengagement; specifically for offenders, those who feel unable to undertake tertiary education and the unemployed
- enable dyslexic people to reach their potential
- increase the effectiveness and efficiency of the organisation through developing staff and volunteers and improving systems and processes.

## **Achievements, Financial Performance and Future Plans**

Below is a summary of achievements for the financial year ending 31 March 2007.

### **Membership, Policy and Information**

During 2006/07 Support Groups were the fastest growing section of membership. This newly formed category of membership offers a flexible approach which appeals to people who are passionate about offering support to dyslexic children and adults but who do not always have the time or inclination to commit to a more formal structure.

The BDA Helpline had on average 22 volunteers who regularly gave up their time to answer calls and emails. Just under 16,000 calls were received and nearly 1,000 emails answered. Many of the calls are complex and require further research and assistance. Not all calls were answered as demand was greater than the BDA resources. The BDA is working hard to rectify this situation and the only limiting factor is finance. The Helpline is funded purely through income earned by the BDA and donations.

Web site hits averaged approximately 20,000 unique hits per month. The web site is an extensive source of information which is regularly updated by the Helpline.

The BDA has again continued its role as the leading campaigning and lobbying dyslexia organisation. The focus on policy work has been to ensure that dyslexic people, either children or adults, are not discriminated against in their desire to fulfil their potential. Work particularly focused on:

- Disability Rights Commission investigation into the potential risk of discrimination against thousands of public sector workers as a result of new government legislation
- Right to Read campaign: a campaign to press for the same book, at the same time at the same price for all print impaired children and adults
- Improving the professional standards of practitioners who assess dyslexia for the purposes of awarding Disabled Students allowance and access arrangements to assessments and examinations
- Initiating a national debate on the 'Early Identification of dyslexia in schools: the way ahead.'
- Working with Xtraordinary People to press for a teacher in every school to be trained to Approved Teacher Status (Certificate in Specific Learning Difficulties, dyslexia)
- Meeting the Teacher Development Agency to raise their awareness of the need to incorporate Specific Learning Difficulties awareness and training in Initial Teacher Training courses
- Advising the government on the structure, content and implementation strategy of the Inclusion Development Programme.

## **Education, Training and Quality Mark**

The training agency delivered training across the country to educational institutions and commercial organisations. This work was often in conjunction with BDA projects such as ECUBE which works in partnership with Rathbone, one of the UK's leading providers of work based training to vulnerable young people, and City College Manchester, which provides education and training services in 41 (over one third) of the prisons in England. This project is funded by the European Social Fund, EQUAL.

BDA awarded the Quality Mark (indicating "dyslexia friendly" status) to 15 institutions during the year:

- 2 schools
- 7 Local Education Authorities
- 6 Further Education Colleges.

The Accreditation Board made the following awards during the year;

- 198 AMBDA (Associate Members of the BDA)
- 110 ATS (Associate Teacher Status)
- 118 ALSA (Approved Learning Support Assistant) and

in addition to that 5 new courses were approved.

## **Projects**

In Northern Ireland, in April of 2005, the Big Lottery granted the BDA just over £100,000 for the **EQUIPED** Project. This is a three year community based project which is developing a regional wide information network at a local level. As part of the project a Helpline was set up and over the first 6 months 121 calls were received, the majority from schools, and 11 emails. The project also had a very successful Dyslexic Awareness Week in November 2006 with good coverage from 5 newspapers.

In Wales **Prosiect Llwyddiant (Project Success)** has been running since 2004. The project is funded by the European Social Fund (ESF) and aims to work with 2000 13-19 year olds whose undiagnosed specific learning difficulties, and related problems, make it hard for them to engage with school and education. The objective is to provide these students with the skills to access the curriculum, assist them in gaining success and encourage them to stay on at school (or college) or move from a learning environment into work or further education.

By March 2007 41 schools/colleges were signed up to the project and 1,089 beneficiaries were receiving support. Assistive technology is a practical solution to overcome barriers and Textic Limited provided each learning centre involved with a Textic Toolbar, an electronic version of the Easy English book and the Genius font.

### **Projects (continued)**

The **INCLUDE** project involves the BDA working collaboratively with partner organisations from Poland, Hungary, Greece, Bulgaria and the UK on a two year project. The purpose of the project is to develop a pan-Europe web based screening tool for adults to identify dyslexia. During the first year of the project the partners analysed the strengths and weaknesses of what was available and needed in their own country and a profiler was built. During the second year testing of the profiler began. The profiler helps individuals to analyse their individual strengths and weaknesses and this is supported by an information book and CD. This project is funded by the Leonardo da Vinci programme.

The BDA's **ECUBE** Project is near to completion. The project aims to improve the services and support available to dyslexic adults through developing the skills and knowledge of those working with them. The project goes from strength to strength and the external evaluators, The Centre for Local Policy Studies, Edge Hill University, intend to use it as a case study in their good practice guide.

A decision was made to end The **Seeing it Differently** project (SID) early as this project was no longer financially viable. The project was funded by the European Social Fund and there were some very positive outcomes for beneficiaries, especially around building confidence and self esteem. However, the cumulative effect of problems, which the BDA had been trying to solve almost since the beginning of the project in 2004, and the financial drain on the BDA proved too great to allow the project to continue.

The **Liverpool Dyslexia Project**, funded by the Liverpool Children's Fund continues to provide dyslexia awareness training to providers of childrens' services in Liverpool. This project is bringing together best practice in dyslexia support for children and has been successful in building strong partnerships with children service providers.

The BDA **continues to work with Kate Griggs as Xtraordinary People (XP). XP No to Failure** is a project lead by XP and here the BDA is working with Dyslexia Action, the Helen Arkell Dyslexia Centre and PATOSS (Professional Association of Teachers of Students of Specific Learning Difficulties) to work towards getting a teacher in every school trained to Approved Teacher Status (Certificate in specific Learning Difficulties, Dyslexia). The project was only started in February 2007 and it is being funded by the DCSF with matched funding raised by the project.

### **Financial Performance**

The following summary covers the period of the audited accounts (April 2006 - March 2007), as well as events up to November 2007 when these accounts were signed.

The BDA has suffered financial difficulties over the last two to three years and in 2006 a fundraising campaign was run to rescue the organisation. It has been moderately successful and the trustees and staff are working hard to establish a firm financial base and on increasing earned income to complement fundraising.

**Financial Performance (continued)**

The BDA needed to change quite dramatically to respond to the financial difficulties, reducing staff numbers, managing the effect the cash short fall was having on the organisation as well as change the way projects and other areas of work were managed. These changes are being made but it will take another 12 to 24 months to build a foundation from which to work. Building this foundation includes building unrestricted reserves. The organisation aims to put aside the costs of running the charity for three months and then maintain this fund within its unrestricted reserves.

This year the BDA increased unrestricted funds by £46,206 representing a surplus for the year from net incoming resources of £132,090 less a transfer from restricted funds of £85,884.

The transfer from restricted funds represents amounts written off on six restricted projects, of which half were operationally completed in the previous year. The short fall arises from a mismatch in the resources applied to the projects compared with refundable costs.

Restricted funds for the year reduced by £39,311 as many of the projects are winding down and the up-front funding has been utilised. Net outgoing resources were £125,195 which was then offset by the transfer of £85,884 noted above.

Combining the increase of £46,206 during the year on unrestricted funds with the reduction of £39,311 on restricted funds generates a net increase in total funds of £6,895. Total funds at the beginning of the year were £8,351 and have now increased to £15,246. This comprises unrestricted funds of £ (246,581) and restricted funds of £261,827.

The Trustees of the BDA would like to record their profound thanks to all those funders that made it possible for the BDA to carry out its vital work.

## **Financial Performance (continued)**

Other financial highlights:

- Donations and legacy income was £386,768 due to the Save the BDA Appeal (2006: £71,441)
- Non Charity trading income was £67,436 (2006: £82,268)
- Income from government and public authorities reduced to £822,502 due to the reduction in project activity (2006: £1,259,677)
- Expenditure for projects (education, training and Quality Mark) reduced to £1,145,784 (2006: £1,379,091) due to reduced activity in the government and public authority funded projects
- Fundraising and publicity expenditure rose to £128,021 (2006: 89,150) due to the appointment of a Development Director last year
- BDA Initiatives made an operating profit of £37,281 (2006: £37,985).

## **Reserves policy**

The holding of general reserves is intended to reduce the risk of organisational disruption resulting from an interruption in income or other business risks. The BDA policy is to retain three months of unrestricted expenditure, equal to £90,000. However, given the recent financial difficulties this policy will be reviewed to include the working capital requirements of major projects covered by restricted funds. Although the strategy is to continue to build reserves through planned operating surpluses, the Trustees are aware that the likely target range will not be reached for at least one or two years.

## **Future Plans**

Our strategy is designed to fulfil the BDA mission while becoming, and staying, financially viable. There is often a tension within charities between the need to be commercial and achieving the mission. Our philosophy is that the BDA must be run as a business with a charity ethos. Our aim is to have our mission reflected in our commercial activity and visa versa.

Our efforts to obtain earned income are focused on three primary areas – training, advertising and an on-line shop. New training courses are being designed and written and will be offered as stand alone courses as well as 'inset' days. Pilots for new courses were undertaken in the summer term and are now scheduled to be rolled out during the autumn and winter terms. Courses are for both educational institutions, including governors, teachers and parents, and for employers.

The BDA is planning to update the look of its website as this is a major source of information. The site already attracts advertising and we intend to increase this revenue. We shall put in place a policy on advertising and design to manage need for an accessible site as well as one that generates income.

Membership and conferences are all expected to contribute towards the core costs whereas key mission related activities such as the Quality Mark and Professional Accreditation aim to work towards breaking even.

### **Future Plans (continued)**

Membership has not drawn in the funds that were originally expected when the charity first introduced individual membership. The growth in the Support Groups and the number of people who sign up for the on-line e-newsletter, via the web site, show a trend towards a less formal association with the BDA. This indicates a need to review how membership works at the BDA.

Conferences are an important method of disseminating and developing information and views and the BDA intends to run an international conference in Harrogate as well as running a number of smaller conferences. Smaller conferences will cover areas of interest such as the use of assistive technology for teachers and general awareness.

Trading has produced a very small part of the BDA income in the past. Later this year we intend to launch an on-line shop which we expect to be an important income earner. We are working with an external company which is willing to be the first party supplier. This will substantially reduce the financial risk to the BDA.

Policy work and campaigning is at the heart of the BDA mission and the BDA is continually updating its policies and addressing new issues as they arise. Over the coming year the BDA will start to build a policy manifesto so that there is real connectivity between the various policies, and so that members and the general public can see an overview of what the BDA stands for. This is a long term project which we see being built on and extended over the years to come.

Increasing the resources in the Helpline is a major challenge for the BDA. We recognise that this is a very important service, and the resource limitations are purely financial. If a funder can be found the first objective will be to reduce the number of missed calls and secondly open a Schools and Career Helpline.

During 2007/8 two European projects will be completed INCLUDE and Prosiect Llwyddiant (Project Success). Opportunities for new projects will be sought but only projects that fit with the charity's present plans and that can be fund neutral will be considered.

### **Related Party Transactions**

Transactions between British Dyslexia Association and BDA (Initiatives) Limited its subsidiary undertaking have been disclosed and are included in these consolidated accounts. There are no other related party transactions to be reported.

### **Appreciation of Support**

The Trustees wish to express their gratitude to all those who have supported the Charity during the course of another very difficult period, particularly the trustees and staff of the Trusts and other funders who have provided the finance and those who have provided voluntary support in kind.

### **Auditors**

Horwath Clark Whitehill LLP resigned as Auditors on the 14<sup>th</sup> August 2007 and Dendy Neville Limited were appointed as Auditors with effect from the 14<sup>th</sup> August 2007 and have been considered for re-appointment as auditors for the ensuing year.

### **Exemption**

The director's report and financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the Trustees on 6th November 2007  
and signed on its behalf by:-

Margaret Malpas  
Chairman

**British Dyslexia Association**  
**Trustees' report (continued)**  
**For the year ended 31 March 2007**

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**Statement of Trustees' responsibilities and corporate governance.**

Company law requires the Directors, who are also the charity Trustees, to prepare accounts for each financial period which give a true and fair view of the company's state of affairs at the end of the year and of its excess of income or expenditure for that period. In preparing those accounts the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Trustees 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 accounts 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 or other irregularities. The Trustees are responsible for ensuring the Trustees' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

In determining how amounts are presented within items in the Statement of Financial Activities and balance sheet, the trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the trustees is aware at the time the report is approved:-

- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s. 234ZA (2)).

## **Independent auditors' report**

### **To the members of the British Dyslexia Association**

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We have audited the financial statements of the British Dyslexia Association for the year ended 31 March 2007 set out on pages 18 to 33. These financial statements have been prepared under the accounting policies set out on pages 21 to 24.

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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described on page 15, the Directors, who are also the directors of the British Dyslexia Association for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Trustees' Report is consistent with the accounts, 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 other transactions with the charitable company is not disclosed.

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

**Independent auditors' report**  
**To the members of the British Dyslexia Association**

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**BASIS OF 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 directors 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.

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 the United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs and of the group as at 31 March 2007 and of its incoming resources and application of resources in 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' Report is consistent with the financial statements.

**Dendy Neville Limited**  
Chartered Accountants  
Registered Auditor  
3-4 Bower Terrace  
Tonbridge Road  
Maidstone  
Kent  
ME16 8RY

Dated: 6 November 2007

**British Dyslexia Association**  
**Consolidated statement of financial activities**  
**For the year ended 31 March 2007**

	Notes	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
<b>Incoming resources</b>					
<b>Generated funds:</b>					
<b>Voluntary Income</b>					
Donations, legacies and similar income		386,768	-	386,768	71,441
<b>Activities to generate funds:</b>					
Non charitable trading	2	67,436	-	67,436	82,268
Other incoming resources		11,716	-	11,716	19,723
Investment and other income		831	-	831	1,708
<b>Incoming resources from charitable activities:</b>					
Resources from government and public authorities		50,000	772,502	822,502	1,259,677
Publications		37,090	-	37,090	41,572
Conferences and training		66,015	-	66,015	61,728
Membership income		74,645	-	74,645	91,265
<b>Total incoming resources</b>		<b>694,501</b>	<b>772,502</b>	<b>1,467,003</b>	<b>1,629,382</b>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Fund raising and publicity		107,748	20,273	128,021	89,150
Non charitable trading	2	30,205	-	30,205	44,363
<b>Charitable activities:</b>					
Membership, policy and information		147,829	2,824	150,653	298,606
Projects (education, training, Quality Mark)		271,184	874,600	1,145,784	1,379,091
Governance costs		5,445	-	5,445	6,961
<b>Total resources expended</b>	3	<b>562,411</b>	<b>897,697</b>	<b>1,460,108</b>	<b>1,818,171</b>

The notes on pages 21 to 33 form part of these financial statements

**British Dyslexia Association**  
**Consolidated statement of financial activities (continued)**  
**For the year ended 31 March 2007**

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		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2007 £</b>	<i>Total 2006 £</i>
<b>Net (outgoing)/incoming Resources before transfers</b>	5	<b>132,090</b>	<b>(125,195)</b>	<b>6,895</b>	<i>(188,789)</i>
<b>Gross transfers between funds</b>	14	<b>(85,884)</b>	<b>85,884</b>	-	-
<b>Reconciliation of total funds</b>					
<i>At 1 April 2006</i>		<u><i>(292,787)</i></u>	<u><i>301,138</i></u>	<u><i>8,351</i></u>	<u><i>197,140</i></u>
<b>Charity and Group at 31 March 2007</b>		<u><b>(246,581)</b></u>	<u><b>261,827</b></u>	<u><b>15,246</b></u>	<u><i>8,351</i></u>

The notes on pages 21 to 33 form part of these financial statements

**British Dyslexia Association**  
**Consolidated and Charity Balance sheets**  
**As at 31 March 2007**

	Notes	Group		Charity	
		2007 £	2006 £	2007 £	2006 £
<b>Fixed assets</b>					
Tangible assets	7	<b>17,931</b>	39,988	<b>17,931</b>	39,988
Investments	8	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
		<b><u>17,931</u></b>	<b><u>39,988</u></b>	<b><u>17,933</u></b>	<b><u>39,990</u></b>
<b>Current assets</b>					
Stocks	9	<b>5,904</b>	10,086	<b>5,904</b>	10,086
Debtors	10	<b>82,036</b>	135,324	<b>84,217</b>	132,092
Cash at bank and in hand		<b><u>118,789</u></b>	<b><u>80,224</u></b>	<b><u>103,033</u></b>	<b><u>79,708</u></b>
		<b>206,729</b>	225,634	<b>193,154</b>	221,886
<b>Creditors:</b> Amounts falling due within one year	11	<b><u>(202,141)</u></b>	<b><u>(211,517)</u></b>	<b><u>(188,568)</u></b>	<b><u>(207,771)</u></b>
<b>Net current assets</b>		<b><u>4,588</u></b>	<b><u>14,117</u></b>	<b><u>4,586</u></b>	<b><u>14,115</u></b>
<b>Provision for liabilities and charges</b>	12	<b>(7,273)</b>	(45,754)	<b>(7,273)</b>	(45,754)
<b>Total net assets</b>		<b><u>15,246</u></b>	<b><u>8,351</u></b>	<b><u>15,246</u></b>	<b><u>8,351</u></b>
Restricted funds	14	<b>261,827</b>	301,138	<b>261,827</b>	301,138
Unrestricted funds		<b><u>(246,581)</u></b>	<b><u>(292,787)</u></b>	<b><u>(246,581)</u></b>	<b><u>(292,787)</u></b>
<b>Total funds</b>	15, 16	<b><u>15,246</u></b>	<b><u>8,351</u></b>	<b><u>15,246</u></b>	<b><u>8,351</u></b>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial reporting Standard for small entities (effective January 2005).

Approved by the Trustees on 6th November 2007  
and signed on its behalf by:-

Trustee

The notes on pages 21 to 33 form part of these financial statements

## **1. Accounting policies**

### **a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), the Companies Act 1985 and the Financial Reporting Standard for Smaller entities (effective January 2005).

The principal accounting policies adopted in the preparation of the financial statements are as follows:-

### **b) Basis of consolidation**

Consolidated financial statements have been prepared for the charity and its wholly owned subsidiary BDA (Initiatives) Limited. The trustees have taken advantage of the exemption not to prepare a separate income and expenditure account for the charity and the consolidated statement of financial activities is in a format which complies with FRS 3.

Overall, the charity's total income (restricted and unrestricted) exceeded expenditure for the year by £6,895 (2006: *Expenditure (exceeded) income by £ (188,789)*)

### **c) Comparative amounts**

Allocations of salary, premises and depreciation costs are reviewed each year to ensure that these costs continue to be accurately assigned by function.

### **d) Gift Aid**

The wholly owned subsidiary donates all of its taxable profits under Gift Aid to the charity. In line with the requirements of SORP 2005 the results of the subsidiary have been consolidated on a line by line basis. The statutory income and expenditure account for the subsidiary is disclosed in note 2 to the financial statements.

### **e) Donations and grants**

Donations and grants made available for the general purposes of the Charity, are credited to income on a receivable basis.

**f) Restricted funds**

Restricted income funds are those whose use is specified by the donor. They are credited to restricted income in the SOFA on a receivable basis. Where amounts are not specifically allocated against expenditure in that year, the balance is deferred and added to the balance brought forward on the restricted fund to be used in future years.

**g) Legacy income**

Legacy income is accounted for on a received basis, or if receipt becomes reasonably certain and is measurable with sufficient reliability on a receivable basis.

**h) Joint arrangements**

Income received in respect of joint projects with other charities, are accounted for in line with Financial Reporting Standard No 9 Associates, joint ventures and other joint arrangements.

**i) Publications**

Income from publications is accounted for on a receivable basis and represents income from the sale of educational and promotional literature.

**j) Conferences and training**

Income from conferences represents income received from the delivery of conferences and training courses. Costs are incurred in the organisation of these events. Income is accounted for on a receivable basis except where income and expenditure do not occur in the same period, in which case the income is deferred to match expenditure.

**k) Membership income**

Membership income is accounted for on a receivable basis and represents membership fees and subscription income from members. It is levied at different rates according to the level of involvement of the member and the amount of information required.

**l) Cost of generating funds**

Fundraising and publicity expenditure represents the direct costs of generating funds and includes the salaries and other direct costs of the fundraising staff as well as an allocation of premises and overhead costs.

**m) Charitable expenditure**

Charitable expenditure has been allocated to match the revenue earned wherever possible and includes an allocation of personnel costs and overhead costs where applicable. Charitable expenditure is accounted for on an accruals basis.

**n) Helpline**

Helpline costs relate to the operation of BDA Helpline. They include wages and salaries, training, telephone, associated premises costs and other sundry items.

**o) Development**

Development costs include expenditure incurred in supporting Local Associations and other forms of membership, as well as the costs of the education department.

**p) Support costs**

Support costs represent overheads, premises costs and wages and salaries of support staff without which the charity would not be able to achieve its objectives. The costs have been allocated on a proportionate basis.

**q) Governance costs**

These costs relate to expenditure in respect of personnel, premises and overheads which can be directly attributed to the management of the charity, as opposed to those incurred in furtherance of its objects.

**r) Depreciation**

Depreciation is calculated to write down the cost of fixed assets over their estimated useful economic lives.

Depreciation is calculated on a straight line basis as follows:-

Premises improvements	- 33½%
Leasehold improvements	- 10%
Computers and office equipment	- 33⅓%
Telephone equipment	- 20%
Fixtures and fittings	- 20%

Where the carrying value of tangible assets is considered to be impaired, they are written down to their recoverable amount.

**s) Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value means estimated selling price less all costs incurred in marketing, selling and distribution.

**t) Deferred income**

Where it is clear that the donor intended the income or grant to be used over a fixed period of time on a specific project and as a result the trustees have no discretion as to when the funds will be expended, these funds will be treated as deferred income and released to the Statement of Financial Activities to match the expenditure.

**u) Contributions to pension funds**

Pension costs represent contributions to employees' personal pension plans during the year.

**v) Leases**

Operating lease costs are charged to the statement of financial activities on a straight line basis over the term of the lease.

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

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**2. Commercial trading operations**

The Charity has a wholly owned trading subsidiary, BDA (Initiatives) Limited which is registered in the UK. Its purpose is to organise fundraising events and sell advertising to raise revenue for the charity. The company passes its taxable profits to the charity under Gift Aid.

**Profit and loss account**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>67,436</b>	<b>82,268</b>
Cost of sales	<u><b>(26,590)</b></u>	<u><b>(39,458)</b></u>
<b>Gross profit</b>	<b>40,846</b>	<b>42,810</b>
Administrative expenses	<u><b>(3,565)</b></u>	<u><b>(4,825)</b></u>
<b>Operating profit</b>	<b>37,281</b>	<b>37,985</b>
Interest receivable	<b>110</b>	<b>162</b>
Interest payable and similar charges	<u><b>(51)</b></u>	<u><b>(80)</b></u>
<b>Net profit</b>	<b>37,340</b>	<b>38,067</b>
Gift aid donation to British Dyslexia Association	<u><b>(37,340)</b></u>	<u><b>(38,067)</b></u>
<b>Transferred to reserves</b>	<u><u><b>-</b></u></u>	<u><u><b>-</b></u></u>

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

**3. Analysis of total resources expended**

	Staff costs £	Support costs £	Other £	Depre- ciation £	Total 2007 £	Total 2006 £
<b>Cost of generating funds</b>						
Commercial trading operations	-	-	30,205	-	30,205	44,363
Fundraising & publicity	65,832	35,883	23,713	2,593	128,021	89,150
<b>Direct charitable expenditure</b>						
Membership, policy and information	93,555	36,109	18,381	2,608	150,653	298,606
Projects (education, training, quality mark)	219,237	233,303	676,388	16,856	1,145,784	1,379,091
Governance costs	<u>-</u>	<u>-</u>	<u>5,445</u>	<u>-</u>	<u>5,445</u>	<u>6,961</u>
Total resources expended	<u>378,624</u>	<u>305,295</u>	<u>754,132</u>	<u>22,057</u>	<u>1,460,108</u>	<u>1,818,171</u>

**4. Support costs**

	Management £	Finance £	HR £	IT £	Total 2007 £
Fundraising	9,832	13,298	3,026	1,282	27,438
Membership, policy and information	11,570	15,649	3,561	1,508	32,288
Projects, (education, training, quality mark)	<u>87,995</u>	<u>119,017</u>	<u>27,086</u>	<u>11,471</u>	<u>245,569</u>
	<u>109,397</u>	<u>147,964</u>	<u>33,673</u>	<u>14,261</u>	<u>305,295</u>

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

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<b>5. Net (outgoing)/incoming resources</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Are stated after charging:		
Depreciation	<b>22,057</b>	24,518
Auditors' remuneration - Audit services	<b>10,014</b>	7,250
Operating lease payments - Buildings	<b>37,500</b>	37,500
- Other	<b><u>3,871</u></b>	<b><u>4,576</u></b>

The Auditor's remuneration related to a charge for the current year of £3,950 together with an under provision of £6,064 relating to 2006 (2006: £250).

**6. Trustees and employees**

Wages and salaries	<b>611,412</b>	684,973
Social security costs	<b>57,298</b>	64,697
Pension costs	<b><u>28,909</u></b>	<b><u>12,031</u></b>
	<b><u>697,619</u></b>	<b><u>761,701</u></b>

No trustee or any party related to them received any remuneration during the year. Out of pocket expenses totalling £1,717 (2006: £1,763) in respect of travelling, subsistence and telephone charges, directly associated with the running of the charity were reimbursed to 6 (2006: 6) trustees.

The average number of persons employed by the charity during the year was as follows:-

	<b>2007</b>	<b>2006</b>
	<b>No.</b>	<b>No.</b>
Full time	<b>14</b>	17
Part time	<b><u>10</u></b>	<b><u>19</u></b>

No employees received remuneration in excess of £60,000 (2006: Nil).

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

**7. Tangible fixed assets – Charity and group**

	Leasehold improvements £	Fixtures & fittings £	Computer & office equipment £	Telephone equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2006	51,381	2,618	60,304	84	114,387
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2007	<u>51,381</u>	<u>2,618</u>	<u>60,304</u>	<u>84</u>	<u>114,387</u>
<b>Depreciation</b>					
At 1 April 2006	41,372	1,422	31,521	84	74,399
Charge for year	<u>5,309</u>	<u>597</u>	<u>16,151</u>	<u>-</u>	<u>22,057</u>
At 31 March 2007	<u>46,681</u>	<u>2,019</u>	<u>47,672</u>	<u>84</u>	<u>96,456</u>
<b>Net book value</b>					
At 31 March 2007	<u>4,700</u>	<u>599</u>	<u>12,632</u>	<u>-</u>	<u>17,931</u>
At 31 March 2006	<u>10,009</u>	<u>1,196</u>	<u>28,783</u>	<u>-</u>	<u>39,988</u>

All assets are employed in furtherance of the charity's objects.

**8. Investments**

The charity has the following investment in the ordinary share capital of its subsidiary undertaking, which is registered in the UK.

	Business	Issued share capital	% of capital owned
BDA (Initiatives) Limited	Management of commercial activities on behalf of BDA	2	100%

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

**9. Stock**

	<b>Group</b>		<b>Charity</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Stock of literature	<u><b>5,904</b></u>	<u><b>10,086</b></u>	<u><b>5,904</b></u>	<u><b>10,086</b></u>

**10. Debtors**

Trade debtors	<b>24,576</b>	47,990	<b>15,276</b>	43,651
Amounts owed by subsidiary company	-	-	<b>11,481</b>	11,242
Tax recoverable	<b>6,798</b>	3,626	<b>6,798</b>	3,626
Prepayments and accrued income	<u><b>50,662</b></u>	<u><b>83,708</b></u>	<u><b>50,662</b></u>	<u><b>73,573</b></u>
	<u><b>82,036</b></u>	<u><b>135,324</b></u>	<u><b>84,217</b></u>	<u><b>132,092</b></u>

**11. Creditors:** Amounts falling due within one year

Trade creditors	<b>129,964</b>	163,726	<b>118,400</b>	163,726
Bank overdraft	<b>36,112</b>	-	<b>36,112</b>	-
Taxation and social security	<b>16,409</b>	22,862	<b>16,409</b>	22,862
Other creditor	<b>509</b>	959	-	-
Accruals and deferred income	<u><b>19,147</b></u>	<u><b>23,970</b></u>	<u><b>17,647</b></u>	<u><b>21,183</b></u>
	<u><b>202,141</b></u>	<u><b>211,517</b></u>	<u><b>188,568</b></u>	<u><b>207,771</b></u>

**12. Provision for liabilities and charges**

	<b>Provision for loss on projects</b>
	<b>£</b>
<b>Group</b>	
At 1 April 2006	45,754
Credit to SOFA	<u>(38,481)</u>
<b>At 31 March 2007</b>	<u><b>£ 7,273</b></u>
<b>Charity</b>	
At 1 April 2006	45,754
Credit to SOFA	<u>(38,481)</u>
<b>At 31 March 2007</b>	<u><b>£ 7,273</b></u>

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

**13. Operating lease commitments**

Group annual rentals payable under non-cancellable operating leases are as follows:

	2007		2006	
	Land & buildings £	Other £	Land & buildings £	Other £
Leases expiring:				
Within one year	-	-	-	-
Between two and five years	<u>37,500</u>	<u>-</u>	<u>37,500</u>	<u>-</u>
	<u><u>37,500</u></u>	<u><u>-</u></u>	<u><u>37,500</u></u>	<u><u>-</u></u>

**14. Restricted funds – charity and group**

Group income funds include restricted funds comprising the following balances of donations and grants held on trust to be applied for specific purposes:-

	Movement in funds				
	Balance 31 March 2006 £	Incoming resources £	Outgoing resources £	Transfer to Unrestricted funds £	Balance 31 March 2007 £
Other Property Fund	9,400	-	9,400	-	-
Prosiect Llwyddiant (Project Success)	237,033	300,010	358,989	-	<b>178,054</b>
Leicestershire Project Phase	11,002	-	19,485	8,483	-
JJ Charitable Trust Quality Mark	8,309	50,000	46,164	-	<b>12,145</b>
Tudor Trust	-	20,000	20,000	-	-
Wates Foundation	-	7,000	7,000	-	-
Liverpool Childrens Fund	2,799	35,984	37,742	-	<b>1,041</b>
T4Addy	-	(22,240)	3,679	25,919	-
Raise	-	5,733	8,661	2,928	-
West Sussex DA SID Project	2,819	-	-	-	<b>2,819</b>
	<u>-</u>	<u>179,124</u>	<u>179,124</u>	<u>-</u>	<u>-</u>
c/f	271,362	575,611	690,244	37,330	<b>194,059</b>

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

**14. Restricted funds – charity and group (continued)**

	<b>Movement in funds</b>				
	<i>Balance 31 March 2006</i>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfer to Unrestricted funds</b>	<b>Balance 31 March 2007</b>
	£	£	£	£	£
b/f	271,362	575,611	690,244	37,330	<b>194,059</b>
Include Project	-	22,190	49,597	27,407	-
Extraordinary People	20,887	26,050	20,272	-	<b>26,665</b>
Equipped Big Lottery	-	43,778	48,959	5,181	-
Ecube	-	46,540	62,506	15,966	-
Esmee Fairburn	8,889	-	8,889	-	-
XP No To Failure	-	55,313	14,406	-	<b>40,907</b>
Helpline	-	3,020	2,824	-	<b>196</b>
	<u>301,138</u>	<u>772,502</u>	<u>897,697</u>	<u>85,884</u>	<u><b>261,827</b></u>

Some projects are funded by ESF monies which are claimed in arrears. At the year end this meant that there was a timing difference between claims being made and the monies being received, although funding was expected early in the new financial year to cover the excess expenditure.

The purpose of the major funds are as follows:-

**Prosiect Llwyddiant ( Project Success)**

A £2 million ESF funded project funded over three years. Its aim is to support 13 – 19 year olds disenfranchised with education and training as a result of specific learning difficulties and related problems and assist them back into education or employment.

**JJ Charitable trust**

Building on the success of the DCSF Dyslexia Friendly Schools pack JJ Charitable trust have provided funding to create a national Quality Mark for Dyslexia Friendly Schools. The aim is to create a pilot scheme for England and to recommend and work on strategic change.

**Liverpool children's fund**

Funding of a Dyslexia officer working across agencies in Liverpool to develop preventative services for vulnerable children with dyslexia.

**SID project**

A European Social Fund (ESF) project over three years to support 435 prisoners with specific learning difficulties across five prisons resettle into the community.

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

**XP No to Failure**

XP No to Failure is a project lead by Xtraordinary People (XP) and is funded by the DCSF with matched funding raised by the project which started in February 2007.

**Other small funds**

Funds provided to defray the costs of the Education and Fundraising departments, to develop issues concerning youth and dyslexia, work in support of dyslexic adults and in support of younger children who suffer from dyslexia.

**15. Analysis of net assets between funds**

<b>Group</b>	<b>Unrestricted funds 2007 £</b>	<b>Restricted funds 2007 £</b>	<b>Total 2007 £</b>	<b>Total 2006 £</b>
Fund balances at 31 March 2007 are represented by:				
Tangible fixed assets	17,931	-	17,931	39,988
Bank account	(36,112)	118,789	82,677	80,224
Net current (liabilities)/assets	(228,400)	150,311	(78,089)	(66,107)
Provisions	-	(7,273)	(7,273)	(45,754)
<b>Total funds</b>	<b><u>(246,581)</u></b>	<b><u>261,827</u></b>	<b><u>15,246</u></b>	<b><u>8,351</u></b>

**16. Analysis of net assets between funds**

<b>Charity</b>	<b>Unrestricted funds 2007 £</b>	<b>Restricted funds 2007 £</b>	<b>Total 2007 £</b>	<b>Total 2006 £</b>
Fund balances at 31 March 2007 are represented by:				
Tangible fixed assets	17,931	-	17,931	39,988
Investments	2	-	2	2
Bank accounts	(36,112)	103,033	66,921	79,708
Net current (liabilities)/assets	(228,402)	166,067	(62,335)	(65,593)
Provisions	-	(7,273)	(7,273)	(45,754)
<b>Total funds</b>	<b><u>(246,581)</u></b>	<b><u>261,827</u></b>	<b><u>15,246</u></b>	<b><u>8,351</u></b>

**British Dyslexia Association**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2007**

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**17. Pension costs**

The charity contributes to the personal pension plans of certain of its employees. Contributions are charged in the financial statements on an accruals basis and there were no outstanding or proposed contributions at the balance sheet date. Pension costs charged in the year were £28,909 (2006: £12,031).

**18. Post balance sheet events**

**Loan**

In June 2007 a loan was made to the Charity by Mr J. and Mrs M. Malpas, both of whom are Trustees of the BDA, for £120,000 pounds repayable on or before the date of the British Dyslexia Association's AGM in 2010. The purpose of the loan was to provide working capital for the British Dyslexia Association to enable working capital to be generated through training and other related future activities as reflected in the Three Year Plan to March 2010. It is anticipated that there will be sufficient funds available to repay the loan without endangering its existence. The loan is non interest bearing.

**Dilapidations**

Dilapidations will become due on one of the properties currently leased by the British Dyslexia Association in August 2008 and on the second, adjacent, property in September 2008. Current estimates indicate that the potential cost of these dilapidations could amount to approximately £35,000. The Trustees are confident that, through negotiation and support from benefactors, this potential liability and any associated costs will not be required to be settled by the charity. Accordingly, no provision for dilapidations has been made in these financial statements.