

DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report & Accounts

Year to 1 April 2012

Registered Charity: SC006187

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Status of GTC Scotland

- ❖ Established under the Teaching Council (Scotland) Act 1965 and subsequently governed by the Public Services Reform (General Teaching Council for Scotland) Order 2011 (the '2011 Order') which passed into law on 17 March 2011 and was brought fully into force on 2 April 2012.
- ❖ An Advisory Non-Departmental Public Body (NDPB) to 1 April 2012 and, with effect from 2 April 2012 in terms of the 2011 Order, granted full independent status as the self-regulating professional body for teaching in Scotland.
- ❖ Funded through the annual registration fees paid by registered teachers.
- ❖ A Scottish Charity (SC:006187).

Vision

GTC Scotland is the independent professional body which maintains and enhances teaching standards and promotes and regulates the teaching profession in Scotland. We strive to be a world leader in professional education issues.

Responsibilities

To 1 April 2012:

- ❖ Maintain a register of those entitled to teach in public sector schools and colleges in Scotland.
- ❖ Regulate the conduct and competence of the teaching profession.
- ❖ Set teacher standards.
- ❖ Advise Scottish Ministers on issues relating to teaching and the teaching profession.
- ❖ Act in the public interest.

From 2 April 2012, under the 2011 Order in addition to the above:

- ❖ Accredite and review the standards of education and training appropriate to school teachers.
- ❖ Keep such registers of other individuals working in educational settings as GTC Scotland thinks fit.
- ❖ Maintain a scheme of 'Professional Update' for teachers.
- ❖ Carry out GTC Scotland functions in line with the accepted principles of best regulatory practice and with any other principle which appears to the Council to represent best regulatory practice.

Governance

To 1 April 2012:

- ❖ 50 Council members:
 - 26 elected registered teacher members.
 - 18 members appointed by relevant organisations.
 - 6 members nominated by Scottish Ministers.
- ❖ A new Council is formed and elections are held every four years.
- ❖ The Convener and Vice Convener of Council, and committee conveners are elected by Council members.
- ❖ The Council's functions are administered through statutory committees and other committees.
- ❖ A comprehensive induction and training programme is provided for all Council members.
- ❖ The Chief Executive is responsible for the day-to-day management of GTC Scotland, supported by a Senior Management Team and a total staff of 58 (54 full-time equivalent) staff.

From 2 April 2012, under the 2011 Order:

- ❖ The Council will comprise 37 members:
 - 19 elected registered teacher members (with flexibility for GTC Scotland to determine the registration categories from which teachers are to be elected and the number of teachers to be elected in each category).
 - 11 members nominated by relevant organisations.
 - 7 lay members appointed by the independent Appointments Committee.
- ❖ Half of the Council membership will be refreshed through a rolling programme of election, nomination and appointment to the Council every two years, with members serving for a four year term.
- ❖ GTC Scotland will have greater flexibility to determine its committee structure through which its functions are administered.
- ❖ Registered teachers and lay persons appointed by an independent Appointments Committee will serve on GTC Scotland's Adjudicating Panels primarily concerned with the registration and fitness to teach of individuals who are, or who are seeking to be, registered.
- ❖ An enhanced induction and training programme is being provided for all Council and appointed panel members.

Objectives: Strategic Plan to 2016

To 1 April 2012:

Against the backdrop of the Council's principal aims and key functions, the following six strategic objectives were identified to underpin the growth and development of the Council for 2009-2013:

- ❖ To facilitate the transition of GTC Scotland to an independent, profession-led, regulatory body.
- ❖ To maintain and enhance the quality of teaching and learning in Scotland.
- ❖ To maintain standards of professional conduct and competence in teaching.
- ❖ To enhance the status and standing of teaching and the teaching profession.
- ❖ To develop the strengths and expertise of Council members and staff.
- ❖ To run an effective and cost-efficient organisation.

From 2 April 2012, the Council's objectives have been revised in line with GTC Scotland independent status as follows:

- ❖ To consolidate GTC Scotland as the independent, self-regulating professional body for teaching in Scotland.
- ❖ To maintain and enhance the quality of teaching and learning in Scotland.
- ❖ To maintain the professional standards of teachers in Scotland and ensure their fitness to teach.
- ❖ To enhance the status and standing of teaching and the teaching profession.
- ❖ To develop the strengths and expertise of Council members, appointed committee and panel members, and staff.
- ❖ To run an effective and cost-efficient organisation.

The Strategic Plan sets out the Council's strategic objectives and the priorities which underpin each objective. This Plan will be reviewed and updated as appropriate on an annual basis.

Performance: Year to 1 April 2012

The main focus of activities from 1 April 2011 has been on planning to ensure a smooth transition to independent status with effect from 2 April 2012 and preparing to discharge GTC Scotland's responsibilities under the 2011 Order as the independent, self-regulating professional body for teaching in Scotland from that date. This has included:

- ❖ Ongoing co-ordinated engagement with stakeholders, utilising GTC Scotland's range of communications channels including the Teaching Scotland newsletter, social media, news releases, events and web presence, and refreshing the GTC Scotland website regarding the functioning of an independent GTC Scotland in the lead up to the granting of independent status on 2 April 2012.
- ❖ Revising and consulting widely with the teaching profession, the broad spectrum of stakeholders in Scottish education and the public on a new GTC Scotland legal/rules framework to reflect changes arising from independence for implementation on 2 April 2012. This comprises –
 - Appointments Scheme and Appointments Process Guidelines
 - Election Scheme
 - Code of Conduct and Membership Scheme
 - Standing Order and Committee Scheme
 - Fitness to Teach and Appeals Rules (including liaising to obtain approval of the Rules by the Lord President of the Court of Session)
 - Registration and Standards Rules
 - Statement of Registration Principles and Practice – Applicants Qualified Outside Scotland
 - Chartered Teacher Accreditation Route Rules (and related National Assessment Panel Standing Orders)
 - Suite of Panel/Appeals Board practice statements.
- ❖ In line with the new rules, developing processes, guidance and ancillary documentation to support the new Fitness to Teach and regulatory procedures to be implemented under the 2011 Order with effect from 2 April 2012.
- ❖ Consulting on and publishing a revised Code of Professionalism and Conduct and a Student Teacher Code, with a view to supporting the enhancement of teachers' professional practice, learning and development and student awareness of issues in this area.
- ❖ Consulting on and publishing a revised Code of Practice on Teacher Competence (subsequently renamed the 'Framework on Teacher Competence') now to form part of the Scottish Negotiating Committee for Teachers' (SNCT) handbook of terms and conditions.
- ❖ Seeking legal opinion and developing for implementation a revised Council, committee and panel governance structure, through which GTC Scotland's functions will be administered from 2 April 2012 and

with separation of powers between Council members who determine policy and independently appointed Panel members who will apply that policy in carrying out their adjudicating role.

- ❖ Establishing an independent Appointments Committee which undertook an extensive recruitment exercise to appoint lay Council members, and registered teacher and lay members to serve on an independent Appeals Board and on GTC Scotland Panels which will adjudicate cases in respect of registration and fitness to teach with effect from 2 April 2012.
- ❖ Conducting Council election, nomination and appointment processes in line with the 2011 Order to establish the first independent Council on 2 April 2012.
- ❖ Developing the support framework for Council, Appeals Board and Adjudicating Panel members including:
 - providing enhanced training and induction to enable members to carry out their role with confidence;
 - developing and implementing a compensation payment scheme for members, with further discussion ongoing with the Convention of Scottish Local Authorities (COSLA) to seek to put in place a protocol for registered teacher members employed in a local authority;
 - giving consideration to developing a performance review process to support the range of members.
- ❖ Liaising with the Scottish Government concerning the revision/drafting of secondary legislation in line with the 2011 Order (including removal of GTC Scotland from the scope of the Scottish Public Services Ombudsman legislation, and Protection of Vulnerable Group regulations relating to Council and Panel members) subsequently in force from 2 April 2012.
- ❖ Taking forward a review of the professional standards including gathering early thinking, establishing a Professional Standards steering group, with representation of all key stakeholders, and three writing groups to undertake the writing of revised standards, with a view to a wide consultation exercise later in 2012.
- ❖ Establishing a working group comprising teachers and the broad range of Scottish education stakeholders to take forward the development of an appropriate scheme of teacher re-accreditation ('Professional Update') for Scottish teachers. Considerable progress has been made in taking this forward including actively engaging with teachers and other stakeholders through a planned programme of public meetings, undertaking a full consultation exercise, publishing a position paper on Professional Update, planning for pilot projects with three local authorities and in the further education, higher education and independent school sectors well under way, and validation guidelines for the pilot local authorities developed by a sub-group of the Professional Update working group. Work is also planned to explore wider issues including registration categories and the concept of practising teachers.
- ❖ Further developing the GTC Scotland register database, website and related MyGTCS portal to provide enhanced online information and services.
- ❖ Revising job descriptions and agreeing these with staff with a view to ensuring they properly reflect the tasks and responsibilities of staff following an internal restructuring process in line with GTC Scotland independence.
- ❖ Ongoing discussions with stakeholders and planning to relocate Practicum, the electronic system used to arrange student teacher placements for all the teacher education universities in Scotland, within the GTC Scotland framework with effect from summer 2012.

Full details of GTC Scotland's performance during the year are set out in the Annual Plan 2011-2012 End-of-Year Review available from the website at www.gtcs.org.uk.

Plans for the Future Include

The key focus of activities from 2 April 2012 onwards is to consolidate GTC Scotland as the independent, self-regulating professional body for teaching in Scotland and the discharge of its duties as such under the 2011 Order. This will include:

- ❖ Continuing to work closely with stakeholders regarding the functioning of an independent GTC Scotland.
- ❖ Putting in place quality assurance and review procedures in respect of the post-April 2012 rules and schemes framework, and regulatory, including new Fitness to Teach, processes and procedures, with a view to ensuring these are fit for purpose and effective going forward.
- ❖ Reviewing the operation of the Council, committee and panel governance structure post-April 2012 to ensure this is efficient and effective in line with good corporate governance principles and best practice in professional regulation.
- ❖ Developing a system of performance review to support Council, Committee and Panel members in carrying out their role.
- ❖ Further enhancement of the GTC Scotland register database, website and online services, together with quality assurance mechanisms, to underpin the integrity and quality of information on the register.
- ❖ Implementing pilot projects to inform the development of an appropriate scheme of Professional Update for teachers in Scotland.

- ❖ As part of the Council's lead role in relation to the professional standards, consulting on and implementing revised Standards and developing a system of accreditation of routes leading to the award of the Standard for Headship.
- ❖ Development work on entry requirements to courses leading to a GTC Scotland recognised teaching qualification and related accreditation processes.
- ❖ Finalising discussions with stakeholders and preparations to relocate Practicum, the electronic system used to arrange student teacher placements for all the teacher education universities in Scotland, within the GTC Scotland framework in summer 2012 and to take it forward from then.

Detailed plans for the year to 1 April 2013 are set out in the Annual Plan 2012-2013 and Strategic Plan as revised for 2012-2016 available from the website at www.gtcs.org.uk.

Principal Office

Clerwood House
96 Clermiston Road
Edinburgh
EH12 6UT

Senior Management Team

Chief Executive	*Anthony Finn
Director of Education Policy	*Tom Hamilton
Director of Corporate and Legal Governance (Council Secretary)	Irene Hunter
Director of Finance and Administration	Gavin Scott
Director of Professional Services (retired in June 2011)	Avril Barker

*Registered Teacher

The Chief Executive/Registrar is responsible in conjunction with the Senior Management Team for the day to day management of GTC Scotland and for ensuring that activities are consistent with the Public Services Reform (General Teaching Council for Scotland) Order 2011 and other regulatory requirements.

Advisers

Auditors:

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Principal Bankers:

The Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Presenting Officers:

R G Burnett SSC
BCKM Solicitors
53 George IV Bridge
Edinburgh
EH1 1YH

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Membership of the Council - 1 April 2011 to 1 April 2012

I ELECTED MEMBERS

(a) Primary/Nursery Headteachers (4)

- * Patrick J Boyle (from August 2011)
- * Frieda E Fraser
- * Alison H Palmer
- * Lillas L Proudfoot (to August 2011)
- * John Telford

(b) Primary/Nursery Teachers (7)

- *Patricia M Duncan
- *Patricia Fallow
- *Linda Fisher-Dougan
- *Frances J Fyfe
- *Linda Gray
- *Andrew R McNeil
- *Edith Swinley

(c) Secondary Headteachers (3)

- *James Bellshaw (from September to December 2011)
- *Stephen Dowds
- *Carole Ford (to August 2011)
- *George F Wynne
- *Vacancy (from December 2011)

(d) Secondary Teachers (8)

- *Aileen C Barrie
- *David Drever
- *Karen J Farrell
- *Jason B L Fitzgerald
- *James B Forbes
- *Catherine G Nicol
- *Margaret A Smith
- *M Peter Wright

(e) Pre-school/Non-School Teachers (1)

- *Vacancy

(f) Further Education (2)

- *Kenneth Allen (co-opted from August 2011)
- *Carol Ann Houston
- *Vacancy (to August 2011)

(g) Relevant Institutions (1)

- *Elizabeth M H Clark

ASSESSORS APPOINTED BY SCOTTISH

Rachel Sunderland, Deputy Director, Scottish Government Learning Directorate
John Gunstone, Scottish Government Learning Directorate

OBSERVER

Kenneth Muir, Chief Inspector, Education Scotland

II APPOINTED MEMBERS

(a) Convention of Scottish Local Authorities (3)

- Elizabeth Fordyce
- *Terry Loughran
- Isobel Strong

(b) Association of Directors of Education in Scotland (3)

- *Gordon Ford
- Donald Mackay
- *Leslie Manson

(c) Further Education Colleges (1)

- Graeme Hyslop

(d) Scottish Council of Independent Schools (1)

- David Clark (to May 2011)
- Nicola Dudley (from July 2011)

(e) Relevant Institutions (4)

- James Conroy
- Richard Edwards
- Lesley H R Kydd
- *Myra A Pearson

(f) Universities other than Relevant Institutions (3)

- Robert Craik
- Gordon Munro (to January 2012)
- Neil Simco
- Vacancy (from January 2012)

(g) Church of Scotland (1)

- *David McTaggart

(h) Roman Catholic Church (1)

- *Michael McGrath

(i) Association of Directors of Social Work in Scotland (1)

- Tom Kirk

III MEMBERS NOMINATED BY SCOTTISH MINISTERS (6)

- Ephraim Borowski (to April 2011)
- Ian Jackson
- *Catherine Macaslan
- Brian Paterson
- Eileen Prior
- Simon Thompson
- Vacancy (from May 2011)

*Registered Teacher

(Numbers in brackets refer to the number of members available to each category)

STATISTICS – YEAR ENDED 1 APRIL 2012

EDUCATION AND PROFESSIONAL LEARNING

Accreditation and Review Programmes/Modules Accredited During the Year		Chartered Teacher Awards	
Initial Teacher Education Programmes	3	Accreditation Route	70
Chartered Teacher	1	Programme Route	139
Headship	-	Total Awards (Accreditation and Programme)	209
Teaching Qualification Further Education	N/A	Total Number of Chartered Teachers	1,440

REGISTRATION SERVICES

<i>Registration of Teachers</i>		<i>Probationer Teachers Awarded Full Registration</i>	
Registered Teachers	76,126	Teacher Induction Scheme	2,782
Newly Qualified Registered Teachers	2,050	Flexible Route	391
Admission (Trained Outwith Scotland)	298	Professional Registration	76
Total Registered	78,474	Total	3,249

FITNESS TO TEACH

	Preliminary Stage	Investigating Sub-Cttee	Disciplinary Sub-Cttee	Total
Cases Brought Forward From 2010/2011	40	49	19	108
New Cases (Including Notifications of PVG Scheme Barring)	318	-	-	318
Applications for Restoration	-	-	5	5
Cases Dealt with Administratively or by ISC Convener	260	-	-	260
Cases Not Pursued	16	-	-	16
Cases Concluded by ISC	-	12	-	12
Cases Referred to DSC from ISC	-	23	23	-
Cases Concluded by DSC	-	-	27	27
Removal From Register (following notice of PVG Scheme Barring)	-	-	1	1
Continued and Outstanding Cases Carried Forward to 2012/2013	82	14	19	115

CORPORATE COMMUNICATION AND INFORMATION SERVICES

	Unique Visits	Page Views		Overall Total
GTCS Website	149,570	1,746,509	MyGTCS Sign-ups	32,572
Probationer Teacher Scotland	31,592	216,249	Teaching Scotland Online Sign-ups	2,175
Teaching Scotland	16,491	51,336	Freedom of Information Requests	39

GOVERNANCE AND ACCOUNTABILITY Complaints (Process or Service Delivery)

Concluded at: Stage 1 (Informal Investigation) of Complaints Procedure	6
Stage 2 (Formal Investigation) of Complaints Procedure	3
Stage 3 (Review) of Complaints Procedure	N/A
Referred to the Scottish Public Services Ombudsman (SPSO)	N/A

HUMAN RESOURCES (Staff Monitoring Summary)

Staff in Post	Gender		Ethnic Origin				Age						With a Disability
	Male	Female	White	Asian	Black	Other	Under 25	25-34	35-44	45-54	55-64	Over 65	
59	22	78	98	2	0	0	3	20	22	27	25	2	5

More detailed statistics are set out in the GTC Scotland Annual Statistical Digest (2011-2012) available from the website at www.gtcs.org.uk

Financial Review

The Financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities issued in 2005.

Review of Activities	2012 £'000	2011 £'000
• Operating (Deficit)/Surplus excluding realised pension fund adjustments	(109)	282
• Realised pension fund adjustment	59	492
• Unrealised potential pension liabilities (increased)/reduced by	(691)	619
• Investment in Fixed Assets	55	209
• (Decrease)/Increase in Unrestricted Reserves	(821)	1,476
• Total Reserves	4,054	4,875

Policies:

Reserves

GTC Scotland's policy, which was approved on 9 March 2005 and is reviewed annually, is to ensure that the net assets are sufficient to meet contractual obligations to staff and pension commitments to former staff, to provide for appropriate development and to assist with the regulation of registration fees. The Council consider that the minimum level of reserves should be £1.0M held in liquid funds and investments excluding the value of the office property, Clerwood House. Current financial projections allow for the level of liquid funds to reduce in the medium term and no fee increase is planned for 2012/13.

In accordance with Financial Reporting Standard 17 "Retirement Benefits", provision has been made for the actuarially valued share of the deficit in the Strathclyde Pension Fund which relates to Council staff and former staff and a Defined Benefit Pension Scheme Reserve has been established. Details of this are set out in notes 13 and 17 to the accounts. The Council consider that the reporting requirements of FRS17 distort the presentation of GTCS Income and Expense information by requiring pension provision fluctuations, which will not crystallise in the short or medium-term, to be reported through the Income and Expenditure Account.

Investments

GTC Scotland operates a balanced risk and ethically based investment policy whereby up to one third of funds available for investment may be placed in investments other than bank deposit accounts. GTC Scotland does not anticipate investment gains when preparing budgets but measures performance against comparator funds. The gain on investments realised during the year reflects the movement in stock markets.

Risk

GTC Scotland members have assessed and re-assess on a regular basis the major risks to which the Council is exposed, in particular those relating to the operations and finances of the Council, and are satisfied that appropriate systems are in place to mitigate exposure to the major risks.

Procurement Policy and Supplier Payments

GTC Scotland supports the CBI Prompt Payment Code and pays its suppliers in accordance with the principles of the Code. Properly authorised invoices are paid within ten days in line with the Scottish Government's request to assist businesses in the current economic climate. GTCS is committed to sustainable procurement and has established a procurement strategy which is designed to provide an optimum combination of benefits and costs and thereby achieve best value.

Council Responsibilities

The Council is required by the Teaching Council (Scotland) Act 1965 (and from 2 April 2012, by the Public Services Reform (General Teaching Council for Scotland) Order 2011) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of GTC Scotland as at the end of the financial year and of its surplus or deficit for that period.

Council confirms that suitable accounting policies have been used and applied consistently; reasonable and prudent judgements have been made in the preparation of the financial statements for the year ended 1 April 2012. Council also confirms that applicable UK accounting standards have been followed and that the accounts have been prepared on the going concern basis.

Council is responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of GTC Scotland and to prevent and detect fraud and other irregularities.

Charitable Status

In December 2009 the Office of the Scottish Charities Regulator (OSCR) confirmed that GTC Scotland meets the charity test as laid out in sections 7 and 8 of the Charity and Trustee Investment (Scotland) Act 2005.

Conclusion

The Council remains in a strong financial position with an appropriate level of reserves and suitable policies to continue to undertake its statutory functions effectively.



Anthony O B Finn
Chief Executive



David Drever
Convener of Council

19 September 2012

Independent Auditors' Report to the Members of the General Teaching Council for Scotland

We have audited the financial statements of The General Teaching Council for Scotland for the year ended 1 April 2012 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and 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).

This report is made solely to the charity's Council members, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Teaching Council (Scotland) Act 1965. Our audit work has been undertaken so that we might state to the charity's Council members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Council and Auditors

As explained more fully in the Statement of Council responsibilities set out on page 8, the Council members are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

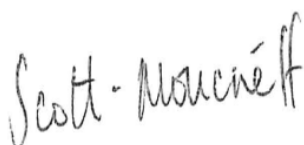
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 1 April 2012 and of its 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 prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Teaching Council (Scotland) Act 1965.

Matters on which we are required to report by exception

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

- the information given in the Council members' annual report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Scott-Moncrieff
Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
Exchange Place 3
Edinburgh EH3 8BL

19 September 2012

Statement of Financial Activities

(Incorporating the Income and Expenditure Account)
For the Year Ended 1 April 2012

	Notes	Total Unrestricted Funds 2012 £'000	Total Unrestricted Funds 2011 £'000
Incoming Resources			
From Council Activities	2	3,808	3,886
From Generated Funds			
Interest and Investment Income	3	37	27
Other Incoming Resources		13	2
Total Incoming Resources		3,858	£3,915
Resources Expended			
Council Activities	4	3,696	3,059
Governance - General Expenses	5	145	83
Governance - Election Expenses	6	67	-
Total Resources Expended		3,908	£3,142
Net (Outgoing)/Incoming Resources Before Recognised Gains and Losses		(50)	773
Gain on Investment Assets	11	7	83
Actuarial (Losses)/Gain on Defined Benefit Pension Scheme	17	(691)	619
Revaluation of Fixed Asset	9	(87)	-
Net (Decrease)/Increase in funds		(821)	1,475
Unrestricted Funds at 1 April 2011	14	4,875	3,400
Unrestricted Funds at 1 April 2012	14	4,054	4,875

If a separate Income and Expenditure Account were produced, the surplus for the year would be the same as the net outgoing/incoming resources shown above.

All incoming resources and expenditures are derived from continuing activities.

	2012 £'000	2011 £'000
Note of Historical Cost (Deficit)/Surplus		
Net (Outgoing)/Incoming resources for the year	(50)	773
Difference Between Historic and Actual Depreciation		
Charge for the Year on the Revalued Amount	26	26
Historical Cost (Deficit)/Surplus for the Year	(24)	799

Balance Sheet at 1 April 2012

	Notes	2012 £'000	2011 £'000
Tangible Fixed Assets	9	<u>3,284</u>	<u>3,476</u>
Current Assets			
Debtors and Prepayments	10	67	101
Investments	11	949	942
Short Term Deposits		1,259	1,450
Bank and Cash Balances		<u>316</u>	<u>205</u>
		<u>2,591</u>	<u>2,698</u>
Liabilities			
Creditors: Amounts Due Within One Year	12	<u>(308)</u>	<u>(454)</u>
Net Current Assets		<u>2,283</u>	<u>2,244</u>
Total Assets less Current Liabilities		5,567	5,720
Provision for Liabilities and Charges			
Provision for Pension Liabilities	13	<u>(468)</u>	<u>(432)</u>
Net Assets Excluding Defined Benefit Pension Scheme Liability		<u>5,099</u>	<u>5,288</u>
Defined Benefit Pension Scheme Liability		<u>(1,045)</u>	<u>(413)</u>
Net Assets Including Defined Benefit Pension Scheme Liability		<u>4,054</u>	<u>4,875</u>
Represented by unrestricted funds			
Accumulated Unrestricted Reserve	14	3,674	3,750
Revaluation Reserve	14	<u>1,425</u>	<u>1,538</u>
Unrestricted Funds Excluding Pension Reserves		5,099	5,288
Defined Benefit Pension Scheme Reserve	14	<u>(1,045)</u>	<u>(413)</u>
Total Funds		<u>4,054</u>	<u>4,875</u>

Approved on 19 September 2012 by the Finance and General Purposes Committee of the Council and signed on its behalf by the Convener:

Approved on 19 September 2012 by The General Teaching Council for Scotland and signed on its behalf by the Convener of Council:

Cash Flow Statement

For the Year Ended 1 April 2012

	Notes	2012 £'000	2011 £'000
Net Cash Flow From Operating Activities	15	(62)	445
Returns on Investments and Servicing of Finance			
Interest Received	3	37	27
Capital Expenditure and Financial Investment			
Purchase of Fixed Assets	9	(55)	(209)
Cash Inflow Before Financing		(80)	263
Management of Liquid Resources	16	191	(349)
Movement in Cash in the Year	16	111	(86)
Reconciliation of Net Cash Flow to Movement in Net Funds			
Net Cash and Liquid Funds at 1 April 2011		2,597	2,251
Movement in Net Cash		111	(86)
Movement in Liquid Resources		(191)	349
Non-Cash Changes		7	83
Net Cash and Liquid Funds at 1 April 2012	16	2,524	2,597

All incoming resources and expenditures are derived from continuing activities

Notes to the Financial Statements

For the Year Ended 1 April 2012

(1) Statement of Accounting Policies

The financial statements are prepared consistently in accordance with accounting standards applicable in the United Kingdom, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005. GTC Scotland is a professional registration body and income and expenditure is allocated to activities in accordance with the requirements of the SORP. All GTC Scotland activities are charitable activities in terms of the SORP. Allocation of support costs has been based on direct staff costs applicable to each activity for which there is a defined income source.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of Clerwood House.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when GTCS is legally entitled to the income and the amount can be quantified with reasonable accuracy. The principal sources of income relate to fees charged, interest on investments and support received from the Scottish Government in relation to continuing professional development. Fees received in advance are deferred until the appropriate accounting period.

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Governance costs are those incurred in holding the Council election, by Council members in attending committee and other meetings and the costs of professional services such as external audit.

Tangible Fixed Assets

Capitalisation and Replacement

Clerwood House was re-valued in March 2012 and is included in the accounts at valuation amount. All other assets are included at their purchase price together with any incidental costs of acquisition, less depreciation. The asset capitalisation threshold was increased to £1,000 on 1 April 2010.

Impairment

Impairment reviews are carried out on an annual basis

Depreciation

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual value, over the expected useful lives of the assets concerned. Buildings are depreciated on a straight line basis at 2% per annum, computing equipment at 33% per annum and office furniture at 20% per annum.

Investments

Investments are stated at market value at the year end. Unrealised gains and losses on revaluation or disposal are credited or charged to the Statement of Financial Activities. Investments are intended to be for the medium to longer term but can be converted into cash within a short period and are therefore disclosed under current assets.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of Liabilities

Liabilities are recognised and provided for when an obligation arises to transfer economic benefits as a result of past transactions or events.

Pension Costs

Employees of the Council participate principally in the Strathclyde Pension Fund, a defined benefit scheme administered by Glasgow City Council. Annual contributions to the scheme are based on the recommendation of the scheme actuary and are charged to the income and expenditure account so as to spread the expected cost of providing pensions over the employees' period of service with the Council. The Council's share of the scheme deficit has been incorporated in the accounts and has had the impact of decreasing total funds by £0.7M (2011: increase £0.6M).

Seven employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. Annual contributions to the scheme, at the rates determined by the Scottish Government, are charged to the income and expenditure account.

Operating Leases

Payments made under operating leases are charged to the Statement of Financial Activities as they are incurred.

(2) Incoming Resources from Council Activities

	2012 £'000	2011 £'000
Registration Activities	3,636	3,830
Continuing Professional Development (CPD)	172	56
	<u>3,808</u>	<u>3,886</u>

(3) Interest and Investment Income

	2012 £'000	2011 £'000
Bank Interest	1	1
Short Term Deposit Interest	36	26
	<u>37</u>	<u>27</u>

(4) Council Activities

	2012 £'000	2011 £'000
Salaries and Related Staff Costs	2,304	2,155
Realised Pension Movement	(59)	(492)
Administration	385	439
Bureaux and Professional Services	516	513
Disclosure and Other Fees	192	80
Property and Security	198	167
Depreciation	160	194
Loss on Disposal of Fixed Assets	-	3
	<u>3,696</u>	<u>3,059</u>

(5) Governance – General Expenses

	2012 £'000	2011 £'000
Accommodation and Catering	29	21
Travel and Subsistence	79	50
Appointment Committee Compensation	24	-
Auditor's Remuneration	13	12
	<u>145</u>	<u>83</u>

Up to 1 April 2012 no remuneration was received by members of Council. A compensation scheme for Council members was introduced with effect from 2 April 2012 with a budget of £75,000. The compensation scheme was made available to members of the Appointments Committee in 2011/12.

Travel and subsistence represents the cost of reimbursing Council Members for expenses incurred by them in attending meetings. During the year 44 members (2011: 47) made travel and subsistence claims.

(6) Governance – Election Expenses

	2012 £'000	2011 £'000
Election 2011	<u>67</u>	<u>-</u>

An election to determine the 19 elected teacher members of the Council was held in November 2011. 77,115 registered members were eligible to vote for 31 candidates in two registration categories. The turnout was 14.2%. (Comparable figures for the previous election in 2009 were: 26 elected teacher member positions on Council; 80,529 eligible to vote in 5 categories; 16.5% turnout).

The next election will be held in November 2013 at which approximately half of the elected Council members will be required to stand down.

(7) Employee Information

	2012 £'000	2011 £'000
Staff Costs		
Wages and Salaries	1,729	1,679
Social Security Costs	141	132
Pension Costs	368	278
	<u>2,238</u>	<u>2,089</u>

The average number of persons (excluding Council members) employed by the Council during the year was 58 (2011: 57) of which 16 (2011: 14) were part-time. During the year there were on average 52 (2011: 53) full time equivalent employees. Payments in respect of temporary staff amounted to £24,426 (2011: £428). Two members of staff were on maternity leave at the year end.

Employee Costs – Salary Bands

£'000	£'000	2012 Number	2011 Number
1	9	2	1
10	19	18	20
20	29	19	17
30	39	4	5
40	49	7	7
50	59	4	1
60	69	3	4
100	109	1	1

Higher paid staff accruing retirement benefits under a defined benefit scheme

£'000	£'000	2012 Number	2011 Number
60	69	3	4
100	109	1	1

Chief Executive's Remuneration	Salary		Employer's pension contribution	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
A.O.B Finn	107	107	16	16

(8) Taxation

The Council is a registered charity (SC006187) and as such is entitled to certain tax exemptions on income from investments. The Council is not registered for VAT and accordingly, all expenditure is recorded inclusive of any VAT incurred.

(9) Fixed Assets

	Heritable Property £'000	Office Furniture Computer Equipment £'000	Website £'000	Total £'000
Cost				
At 1 April 2011	3,406	767	278	4,451
Additions	-	55	-	55
Disposals	-	(65)	-	(65)
Revaluation	(356)	-	-	(356)
At 1 April 2012	<u>3,050</u>	<u>757</u>	<u>278</u>	<u>4,085</u>
Depreciation				
At 1 April 2011	201	504	270	975
Charge for year	68	84	8	160
Depreciation on Disposals	-	(65)	-	(65)
Depreciation on Revaluation	(269)	-	-	(269)
At 1 April 2012	<u>-</u>	<u>523</u>	<u>278</u>	<u>801</u>
Net Book Value				
At 1 April 2012	<u>3,050</u>	<u>234</u>	<u>-</u>	<u>3,284</u>
Net Book Value at 31 March 2011	<u>3,205</u>	<u>263</u>	<u>8</u>	<u>3,476</u>

- (a) Clerwood House was valued in March 2012 at £3.05M (March 2008 £3.25M) on an existing use value by independent valuers; Speirs Gumley, Chartered Surveyors.
- (b) The historic cost of the land and buildings as at 1 April 2012 was £2.1M (2011: £2.1M).

(10) Debtors and Prepayments

	2012 £'000	2011 £'000
Debtors	3	15
Prepayments	64	83
Accrued Income	-	3
	<u>67</u>	<u>101</u>

(11) Investments

	2012 £'000	2011 £'000
Market Value at 1 April 2011	942	859
Net Gain on Revaluation	7	83
Market Value at 1 April 2012	<u>949</u>	<u>942</u>

(12) Creditors

	2012 £'000	2011 £'000
Trade Creditors	70	80
Accruals	137	102
Chartered Teacher Programme	-	70
Deferred Income	83	184
George D Gray Award	18	18
	<u>308</u>	<u>454</u>

(13) Provision for Pension Liabilities

	2012	2011
	£'000	£'000
Provision at 1 April 2011	432	443
Amounts Used During Year	(17)	(16)
Increase during the period in the discounted amount arising from the passage of time and a change in the discount rate (reflecting the reduction in interest rates).	<u>53</u>	<u>5</u>
Provision at 1 April 2012	<u>468</u>	<u>432</u>

The provision relates to future obligations to former members of staff. The provision is an actuarial calculation as at 1 April 2012 based on information relating to each recipient. Date of birth, gender and any entitlements of a spouse are taken into account. The provision is released as payments are made to each recipient.

(14) Reserves

	2012	2011
	£'000	£'000
Revaluation Reserve		
Balance at 1 April 2011	1,538	1,564
Revaluation During Year	(87)	-
Depreciation Released to SOFA	<u>(26)</u>	<u>(26)</u>
Balance at 1 April 2012	<u>1,425</u>	<u>1,538</u>
Accumulated Unrestricted Reserve		
Balance at 1 April 2011	3,750	3,359
Surplus/(Deficit) for Year	<u>(821)</u>	<u>1,476</u>
Unrestricted Reserve Prior to Transfers	2,929	4,835
Transfer (To)/From Revaluation Reserve	113	26
Transfer re Pension Scheme Reserve	<u>632</u>	<u>(1,111)</u>
Balance at 1 April 2012	<u>3,674</u>	<u>3,750</u>
Defined Benefit Pension Scheme Reserve		
Balance at 1 April 2011	(413)	(1,524)
Realised Movement	59	492
Unrealised Movement	<u>(691)</u>	<u>619</u>
Balance at 1 April 2012	<u>(1,045)</u>	<u>(413)</u>
Total Reserves at 1 April 2012	<u>4,054</u>	<u>4,875</u>

(15) Reconciliation of Surplus of Income over Expenditure to Net Cash Inflow from Operating Activities

	2012	2011
	£'000	£'000
(Deficit)/Surplus of Income Over Expenditure	(50)	773
Depreciation on Tangible Fixed Assets	160	194
Loss on Disposal of Fixed Assets	-	2
Less: Interest on Deposits	(37)	(27)
Decrease in Debtors	34	1
(Decrease)/Increase in Creditors	(146)	5
Defined Benefit Pension Scheme	(59)	(492)
Increase/(Decrease) in Pension Provisions	<u>36</u>	<u>(11)</u>
Net Cash (Outflow)/ Inflow from Operations	<u>(62)</u>	<u>445</u>

(16) Analysis of Changes in Net Funds

	At 01/04/11	Cash Flows £'000	Unrealised Gain £'000	At 01/04/12 £'000
Cash at Bank and in Hand	205	111	-	316
Management of Liquid Resources: Short Term Deposits and Investments	2,392	(191)	7	2,208
Total Funds	2,597	(80)	7	2,524

(17) Pensions

The Council participates in two pension schemes. Seven employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. The contributions are 6.4% (2011: 6.4%) for employees and 14.9% (2011: 14.9%) for employers. The STSS is a defined benefits scheme administered by the Scottish Executive with contribution rates based on notional assets set for the area covered as a whole. The scheme is unable to identify each individual body's share of the underlying assets and liabilities on a consistent and reasonable basis. The Council therefore accounts for these pension costs as if it were a defined contribution scheme.

Employees of the Council participate principally in the Strathclyde Pension Fund, a defined benefit scheme administered by Glasgow City Council. The scheme is a multi-employer scheme. Annual contributions to the scheme are based on the recommendation of the scheme actuary and are charged to the income and expenditure account so as to spread the expected cost of providing pensions over the employees' period of service with the Council. Employees contribute between 5.5% and 12% of their salary. Employers' contributions were 19.3% for 2012 (2011: 18.2%). Unfunded early retirement pension enhancements for which the Council is liable are provided for in full when employees retire and are charged against the provision when paid.

A formal valuation of the Strathclyde Pension Fund (SPF) was carried out as at 31 March 2011 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 1 April 2012, the Scheme's actuaries have rolled forward the actuarial value of the liabilities allowing for changes in financial assumption as prescribed under "FRS 17: Retirement Benefits".

The principal assumptions used as at 1 April were as follows:

	2012 % per annum	2011 % per annum
Inflation/ Pension Increase Rate	2.5%	2.8%
Salary Increases	4.8%	5.1%
Pension Increases	5.8%	6.9%
Discount Rate	4.8%	5.5%

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2011. Life expectancy for pensioners and non-pensioners is based on the PMA/PFA92 "year of birth" mortality tables. It has been assumed that 5% of retiring members will opt to increase their lump sums to the maximum allowed. The assumed life expectations from age 65 are:

		2012 Years	2011 Years
Current Pensioners	Males	21.0	20.6
	Females	23.4	23.9
Future Pensioners	Males	23.3	22.6
	Females	25.3	26.0

The expected rates of return of the Strathclyde Pension Fund investments as at 1 April were as follows:

	2012	2011	2012	2011
	Split of Assets		Return	
Equities	77%	77%	6.3%	7.5%
Bonds	11%	13%	3.9%	4.9%
Property	6%	6%	4.4%	5.5%
Cash	5%	4%	3.5%	4.6%

Present value of scheme liabilities, based on the actuary's assumptions, with the estimated employer assets.

	2012	2011
	£'000	£'000
Fair Value of Employer Assets	4,677	4,581
Present Value of Funded Liabilities	(5,651)	(4,921)
Present Value of Unfunded Obligations	(71)	(73)
Net Liability in the Balance Sheet	(1,045)	(413)

Changes in the Fair Value of Scheme Assets

	2012	2011
	£'000	£'000
Opening Fair Value of Scheme Assets	4,581	4,045
Expected Return on Scheme Assets	321	299
Actuarial Losses/(Gains)	(361)	28
Contributions by Employer	254	226
Contributions by Participants	83	82
Estimated Benefits Paid (Net of Transfer)	(201)	(99)
Closing Fair Value of Scheme Assets	4,677	4,581

Changes in the present value of the defined benefit pension liability

	2012	2011
	£'000	£'000
Opening Defined Benefit Liability	4,994	5,569
Service Cost	226	275
Interest Cost	278	293
Actuarial Losses/(Gains)	330	(591)
Estimated Benefits Paid (Net of Transfer)	(201)	(103)
Unfunded Benefits Paid	(4)	-
Contributions by Participants	83	82
Past Service Losses/(Gains)	16	(531)
Closing Defined Benefit Liability	5,722	4,994

Movement in Deficit During the Year

	2012	2011
	£'000	£'000
Operating Deficit	(413)	(1,524)
Current Service Cost	(226)	(275)
Employers Contributions	254	226
Past Service (Costs)/Gains	(16)	531
Contributors' Unfunded Benefits	4	4
Interest Cost	(278)	(293)
Expected Return on Employer Assets	321	299
Actuarial (Losses)/Gains	(691)	619
Closing Deficit	(1,045)	(413)

	2012 £'000	2011 £'000
Current Service (Costs)/Gains	226	275
Past Service Costs/Gains	16	(531)
Interest on Pension Scheme Liabilities	278	293
Expected Return on Employer Assets	<u>(321)</u>	<u>(299)</u>
	<u>199</u>	<u>(262)</u>
Actual Return on Scheme Assets	<u>50</u>	<u>328</u>

Five Year History of Experience Gains and Losses

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined Benefit Obligation	(5,722)	(4,994)	(5,569)	(3,087)	(2,969)
Value of Scheme Assets	<u>4,677</u>	<u>4,581</u>	<u>4,045</u>	<u>2,774</u>	<u>3,285</u>
Net (Liability)/Asset	<u>(1,045)</u>	<u>(413)</u>	<u>(1,524)</u>	<u>(313)</u>	<u>316</u>
Actuarial (Loss)/Gain	(330)	591	(2,121)	182	718
Experience (Loss)/Gain on Scheme Assets	<u>(361)</u>	<u>28</u>	<u>889</u>	<u>(883)</u>	<u>(334)</u>
Actuarial (Loss)/Gain Recognised in Statement of Financial Activities	<u>(691)</u>	<u>619</u>	<u>(1,232)</u>	<u>(701)</u>	<u>384</u>

(18) Operating Leases

At 1 April the Council had annual operating lease commitments as set out below:

	2012 £'000	2011 £'000
Leases which expire:		
- within one year	-	-
- between one and five years	22	23
- over five years	-	-
	<u>22</u>	<u>23</u>

In May 2011 the Council entered into a three year leasing agreement with an annual commitment of £22,024.

(19) Indemnity Insurance

The Council paid £10,600 (2011: £13,125) for professional indemnity insurance for the year ended 1 April 2012.

(20) Future Commitments

The Council had future capital commitments amounting to £nil (2011: £nil). The Council's budget for the year 2012-13 includes provision for asset purchases amounting to £120,000 (2011: £250,000).

Public Sector Reform (Scotland) Act 2010

As a statutory body, GTC Scotland is subject to the reporting requirements of the Public Sector Reform (Scotland) Act 2010 with regard to publishing information on specific items of expenditure. This information is available from the GTC Scotland website as follows:

Financial Expenditure: <http://www.gtcs.org.uk/home/foi.aspx>

Senior Staff Salaries: <http://www.gtcs.org.uk/home/foi.aspx>

GTC Scotland aims to promote equality and diversity in all its activities

GTC Scotland

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Direct weblinks

Continuing Professional Development:
<http://www.gtcs.org.uk/professional-development/cpd.aspx>

Fitness to Teach:
www.gtcs.org.uk/fitness-to-teach

Professional Learning and
Development Department:
www.gtcs.org.uk/probation

Registration Services Department:
www.gtcs.org.uk/registration

Professional Recognition:
<http://www.gtcs.org.uk/professional-recognition>

Research:
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Professional Update for Teachers:
www.gtcs.org.uk/professional-development/professional-update

Probationer Teachers:
www.probationerteacherscotland.org.uk

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www.teachingscotland.org.uk