

DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report & Accounts

Year to 31 March 2011

Registered Charity: SC006187

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Status of GTC Scotland

- ❖ Established under the Teaching Council (Scotland) Act 1965 and with effect from 2 April 2012, the Public Services Reform (General Teaching Council for Scotland) Order 2011.
- ❖ An Advisory Non-Departmental Public Body (NDPB) to 1 April 2012.
- ❖ 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

- ❖ 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.

Governance

- ❖ 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 57 (54 full-time equivalent) staff.

Objectives: Strategic Plan 2009-2013

Against the backdrop of the Council's principal aims and key functions, the following six strategic objectives have been 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.

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.

In line with National Outcomes 14 and 15 of the Scottish Government's National Performance Framework, GTC Scotland sets out to deliver a high quality, continually improving, and efficient public service which is responsive to the needs of the teaching profession and the public and which takes account of the local and global environment wherever practical and appropriate. GTC Scotland recognises that it also has a contribution to make to National Outcomes 3, 4 and 5 of the Framework and has sought to discharge these in its strategic planning.

Performance: Year to 31 March 2011

- ❖ Close liaison with Scottish Government in relation to independence proposals (including responding to Scottish Government consultation) and co-ordinated engagement with key stakeholders which led to the passing of the Public Services Reform (General Teaching Council for Scotland) Order 2011;
- ❖ Development and consulting on proposals for the election and appointment of an independent Council, appointment of committee and panel members, and governance, rules, processes and procedures relating to the conduct of its functions;
- ❖ Internal restructuring to align with the functions and duties of the independent Council;
- ❖ Development of an upgraded register database and processes to refine online collection of data;
- ❖ Implementation of time limits (and reminder) policy and procedure relating to the probationary period, provisional (conditional) registration, and following a lapse or cancellation of registration;
- ❖ Redesign of GTC Scotland website to better meet the needs of users;
- ❖ Development of future funding proposals and policies to ensure the future sustainability of GTC Scotland;
- ❖ Training, development and discussion opportunities provided for Council members and staff in respect of independence issues and teacher professionalism.

Full details of GTC Scotland's performance during the year are set out in the Annual Plan 2010-2011 End-of-Year Review available from the website at www.gtcs.org.uk.

Plans for the Future Include

- ❖ Working closely with the stakeholders regarding the functioning of an independent GTC Scotland;
- ❖ Further consultation with stakeholders on governance, rules, processes and procedures relating to the conduct of the Council's functions;
- ❖ Implementing proposals for the election, nomination and appointment of an independent Council and for the appointment of committee and panel members;
- ❖ GTC Scotland Council election, nominations and appointments conducted, committee and panel members appointed, and effective transition to new Council, following enhanced induction and training for Council, committee and panel members;
- ❖ Preparing to take the lead role in relation to the Standards as part of the move to independent status;
- ❖ Engaging with stakeholders and consulting on the development of teacher re-accreditation mechanisms with a view to establishing an appropriate system for Scottish teachers;
- ❖ Further development of the GTC Scotland register database, website and related MyGTCS portal to provide enhanced online information and services;
- ❖ Continuing to refine regulatory hearing processes and procedures, including the development of Fitness to Teach procedures for an independent GTC Scotland;
- ❖ Reviewing flexible working arrangements and related policies to improve access for stakeholders to GTC Scotland information and advice and for the benefit of staff.

Detailed plans for the year to 31 March 2011 are set out in the Annual Plan 2011-2012 and Strategic Plan 2009-2013 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 (*Registered Teacher)
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	Avril Barker

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 Teaching Council (Scotland) Act 1965 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 Solicitors:

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 2010 to 31 March 2011

Elected Members

- (a) **Primary/Nursery Headteachers (4)**
*Frieda E Fraser
*Alison H Palmer
*Lilias L Proudfoot
*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)**
*Stephen Dowds (from July 2010)
*Carole L Ford
*Dorothy M White (to July 2010)
*George F Wynne
- (d) **Secondary Teachers (8)**
*Aileen C Barrie
*David Drever
*Karen J Farrell
*Jason B L Fitzgerald
*James B Forbes
*Stephen McCrossan (to August 2010)
*Catherine G Nicol
*Margaret A Smith
*M Peter Wright (from August 2010)
- (e) **Pre-school/Non-school Teachers (1)**
*Vacancy
- (f) **Further Education (2)**
*Carol Ann Houston
*Hugh Paton (to March 2011)
*Vacancy (from March 2011)
- (g) **Relevant Institutions (1)**
*Elizabeth M H Clark (from August 2010)
*Anne T Wilson (to July 2010)

Assessors Appointed by Scottish Ministers

Michael Kellet, Deputy Director for Teachers Division,
Scottish Government
John Gunstone, Scottish Government, Teachers
Division

Observer

Kenneth Muir, HM Inspectorate of Education

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
- (e) **Relevant Institutions (4)**
Jill Bourne (to August 2010)
*James Conroy (from August 2010)
Richard Edwards
Lesley H R Kydd
*Myra A Pearson
- (f) **Universities Other Than Relevant Institutions (3)**
Robert Craik
Gordon Munro
Neil Simco
- (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

Members Nominated by Scottish Ministers (6)

Ephraim Borowski
Ian Jackson
*Catherine Macaslan
Brian Paterson
Eileen Prior
Simon Thompson (from May 2010)

*Registered Teacher

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

Statistics - Year ended 31 March 2011

Accreditation and Review	
Programmes/Modules Accredited during the year	
Initial Teacher Education Programmes	2
Chartered Teacher	7
Headship	1

Registered Teacher Numbers	
Registered	77,970
Newly Qualified	2,923
Admission (Trained outwith Scotland)	344
Total Registered	81,237

Chartered Teacher Awards	
Programme Route	81
Accreditation Route	125
Total Awards	206
Total Chartered Teachers	1216

Probationer Teachers Awarded Full Registration	
Teacher Induction Scheme	2960
Flexible Route	862
Total Awards	3822

Investigating and Disciplinary Procedures					
Continued & Outstanding Cases C/F From 2009/2010			81		
New cases 2010/2011			188		
New cases reported			187		
Applicants for restoration to the register			1		
[Notification of teachers included on the Disqualified from Working with Children List (DWCL) under the Protection of Children (Scotland) Act 2003 – 3]			Total: 269		
Cases Resolved 2010/2011			161		
Administratively or by ISC Convener			111		
By Investigating Sub-Committee (ISC)			22		
[Note: Cases Referred to DSC – 28]					
By Disciplinary Sub-Committee (DSC)			25		
Application for Registration	- Accepted	-	Registered Teacher	- No Order	-
	- Refused	2		- Reprimand	3
	- Withdrawn	3		- Conditional Registration Order	-
Application for Restoration	- Accepted	-	Registered Teacher	- Removal from the Register	17
	- Refused	-		• Conviction	4
	- Withdrawn	-		• Conduct	10
				• Competence	3
Removal from the Register following inclusion on the DWCL			3		
Continued & Outstanding Cases C/F to 2011/2012			108	Total: 269	

Freedom of Information Requests	44
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Complaints (Process or Service Delivery)	
Total of 6	2 - concluded at Stage 1 (informal investigation) of complaints procedure 1 - concluded at Stage 2 (formal investigation) of complaints procedure 2 - concluded at Stage 3 (review) of complaints procedure 1 - referred to the Scottish Public Services Ombudsman (SPSO) [-not considered as outwith the jurisdiction of the SPSO]

Staff Monitoring Summary													
Staff in Post	Gender		Ethnic Origin				Age						With a Disability
	Female	Male	White	Asian	Black	Other	Under 25	25-34	35-44	45-54	55-64	Over 65	
57	79%	21%	98%	2%	-	-	5%	19%	24%	28%	24%	-	5%

More detailed statistics are set out in the GTC Scotland Annual Statistical Digest 2010-2011 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.

	2011	2010
	£'000	£'000
Review of Activities		
• Operating Surplus / (Deficit) excluding realised pension fund adjustments	282	(185)
• Realised pension fund adjustment	492	(21)
• Unrealised potential pension liabilities reduced/(increased) by	619	(1,232)
• Unrealised Gain in Investments	83	267
• Investment in Fixed Assets	209	145
• Increase/(Decrease) in Unrestricted Reserves	1,475	(1,150)
• Total Reserves	4,875	3,400

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. To maintain the level of reserves, Council agreed to increase the annual teacher registration fee by £5 to £45 in 2010/11. Current financial projections allow for the level of liquid funds to reduce in the medium term and no fee increase is planned for 2011/12.

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's 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 suffered 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 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 31 March 2011. 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 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

28 September 2011

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 31 March 2011 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 6, 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

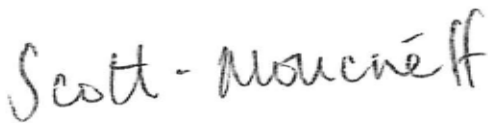
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2011 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

28 September 2011

Statement of Financial Activities

(Incorporating the Income and Expenditure Account)
For the year ended 31 March 2011

	Notes	Total Unrestricted Funds 2011 £'000	Total Unrestricted Funds 2010 £'000
Incoming Resources			
From Council Activities	2	3,886	3,582
From Generated Funds			
Interest and Investment Income	3	27	24
Other Incoming Resources		2	33
Total Incoming Resources		3,915	3,639
Resources Expended			
Council Activities	4	3,059	3,652
Governance - General Expenses	5	83	91
Governance - Election Expenses	6	-	82
Total Resources Expended		3,142	3,825
Net incoming / (outgoing) resources before recognised gains and losses		773	(186)
Gain on investment assets	11	83	267
Actuarial gain/ (losses) on defined benefit pension scheme	17	619	(1,232)
Revaluation of Fixed Asset		-	-
Net increase / (decrease) in funds		1,475	(1,151)
Unrestricted funds at 1 April 2010	14	3,400	4,550
Unrestricted funds at 31 March 2011	14	4,875	3,399

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

All incoming resources and expenditures are derived from continuing activities.

	2011 £'000	2010 £'000
Note of Historical Cost (Deficit)/Surplus		
Net (outgoing) / incoming resources for the year	773	(186)
Difference between historic and actual depreciation charge for the year on the revalued amount	-	25
Historical cost (deficit) / surplus for the year	773	(161)

Balance Sheet at 31 March 2011

	Notes	2011 £'000	2010 £'000
Tangible fixed assets	9	<u>3,476</u>	<u>3,462</u>
Current assets			
Debtors and prepayments	10	101	102
Investments	11	942	859
Short term deposits		1,450	1,101
Bank and cash balances		<u>205</u>	<u>291</u>
		<u>2,698</u>	<u>2,353</u>
Liabilities			
Creditors: Amounts due within one year	12	<u>(454)</u>	<u>(449)</u>
Net Current Assets		<u>2,244</u>	<u>1,904</u>
Total Assets less Current Liabilities		5,720	5,366
Provision for liabilities and charges			
Provision for pension liabilities	13	<u>(432)</u>	<u>(443)</u>
Net Assets excluding defined benefit pension scheme liability		<u>5,288</u>	<u>4,923</u>
Defined benefit pension scheme liability		<u>(413)</u>	<u>(1,524)</u>
Net Assets including defined benefit pension scheme liability		<u>4,875</u>	<u>3,399</u>
Represented by unrestricted funds			
Accumulated unrestricted reserve	14	3,750	3,359
Revaluation reserve	14	<u>1,538</u>	<u>1,564</u>
Unrestricted funds excluding pension reserves		5,288	4,923
Defined benefit pension scheme reserve	14	<u>(413)</u>	<u>(1,524)</u>
Total funds		<u>4,875</u>	<u>3,399</u>

Approved on 28 September 2011 by the Finance and General Purposes Committee of the Council and signed on its behalf by the Convener:

Donald S. Mackay

Approved on 28 September 2011 by The General Teaching Council for Scotland and signed on its behalf by the Convener of Council:

D. D. D. D.

Cash Flow Statement

For the Year Ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Net cash flow from operating activities	15	445	138
Returns on investments and servicing of finance			
Interest received	3	27	24
Capital expenditure and financial investment			
Purchase of fixed assets	9	(209)	(145)
Cash inflow before financing		263	17
Management of liquid resources	16	(349)	24
Movement in cash in the year	16	(86)	41
Reconciliation of net cash flow to movement in net funds			
Net cash and liquid funds at 1 April 2010		2,251	1,967
Movement in net cash		(86)	41
Movement in liquid resources		349	(24)
Non-cash changes		83	267
Net cash and liquid funds at 31 March 2011	16	<u>2,597</u>	<u>2,251</u>

All incoming resources and expenditures are derived from continuing activities

Notes to the Financial Statements

For the year ended 31 March 2011

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 1992 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 Activity 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 revalued in January 2008 and is included in the accounts at valuation amount. Clerwood House is revalued every five years. Council has sought advice from the valuers and consider that the current economic situation has not materially affected the valuation of the property. 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 increasing total funds by £0.6M (2009: decrease £1.2M).

Six 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 charges to the Statement of Financial Activities as they are incurred.

2 Incoming Resources from Council Activities

	2011	2010
	£'000	£'000
Registration Activities	3,830	3,446
Continuing Professional Development (CPD)	56	136
	<u>3,886</u>	<u>3,582</u>

3 Interest and Investment Income

	2011	2010
	£'000	£'000
Bank Interest	1	1
Short Term Deposit Interest	26	23
	<u>27</u>	<u>24</u>

4 Council Activities

	2011 £'000	2010 £'000
Salaries and related staff costs	2,155	2,178
Realised pension movement	(492)	21
Administration	439	479
Bureaux and professional services	513	455
Continuing Professional Development	80	139
Property and Security	167	156
Depreciation	194	223
Loss on Disposal of Fixed Assets	3	-
	<u>3,059</u>	<u>3,651</u>

The realised pension movement gain in 2011 arose from the Government's decision to use the Consumer Price Index rather than the Retail Price Index to calculate future cost of living increases.

5 Governance – General Expenses

	2011 £'000	2010 £'000
Accommodation and catering	21	29
Travel and subsistence	50	51
Auditors' remuneration	12	11
	<u>83</u>	<u>91</u>

No remuneration is received by members of Council. Travel and subsistence represents the cost of reimbursing Council Members for expenses incurred by them in attending meetings.

6 Governance – Election Expenses

	2011 £'000	2010 £'000
	<u>-</u>	<u>82</u>

An election to determine the 26 elected teacher members of the Council was held in September 2009. The next election will be held in November 2011.

7 Employee Information

	2011	2010
	£'000	£'000
Staff costs		
Wages and salaries	1,679	1,704
Social security costs	132	130
Pension costs	278	266
	<u>2,089</u>	<u>2,100</u>

The average number of persons (excluding Council members) employed by the Council during the year was 57 (2010: 60) of which 14 (2010: 14) were part-time. During the year there were on average 53 (2010: 54) full time equivalent employees. Payments in respect of temporary staff amounted to £428 (2010: £17,686). Two members of staff were on maternity leave at the year end.

Employee Costs – Salary Bands

		2011	2010
£'000	£'000	No	No
1	9	1	2
10	19	20	20
20	29	17	21
30	39	5	6
40	49	7	4
50	59	1	1
60	69	4	4
90	99	-	1
100	109	1	-

Chief Executive's Remuneration	Salary		Employer's pension contribution	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
A.O.B Finn	107	99	16	15

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 2010	3,406	856	278	4,540
Additions	-	209	-	209
Disposals	-	(298)	-	(298)
Revaluation	-	-	-	-
At 31 March 2011	<u>3,406</u>	<u>767</u>	<u>278</u>	<u>4,451</u>
Depreciation				
At 1 April 2010	133	713	230	1,076
Charge for year	68	86	40	194
Depreciation on disposals	-	(295)	-	(295)
Depreciation on revaluation	-	-	-	-
At 31 March 2011	<u>201</u>	<u>504</u>	<u>270</u>	<u>975</u>
Net book value				
At 31 March 2011	<u><u>3,205</u></u>	<u><u>263</u></u>	<u><u>8</u></u>	<u><u>3,476</u></u>
Net book value at 31 March 2010	<u>3,273</u>	<u>143</u>	<u>48</u>	<u>3,464</u>

(a) Clerwood House was valued in January 2008 at £3.25M on an existing use value by independent valuers Spiers Gumley, Chartered Surveyors.

(b) The historic cost of the land and buildings as at 31 March 2011 was £2.1M (2010: £2.1M).

10 Debtors and Prepayments

	2011 £'000	2010 £'000
Debtors	15	33
Prepayments	83	66
Accrued Income	3	3
	<u>101</u>	<u>102</u>

11 Investments

	2011 £'000	2010 £'000
Market value at 1 April 2010	859	592
Net gain on revaluation	83	267
Market value at 31 March 2011	<u>942</u>	<u>859</u>

12 Creditors

	2011 £'000	2010 £'000
Trade Creditors	80	61
Accruals	102	60
Chartered Teacher Programme	70	115
Deferred Income	184	194
George D Gray Award	18	19
	<u>454</u>	<u>449</u>

13 Provision for Pension Liabilities

	2011	2010
	£'000	£'000
Provision at 1 April 2010	443	399
Amounts used during year	(16)	(17)
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>5</u>	<u>61</u>
Provision at 31 March 2011	<u>432</u>	<u>443</u>

The provision relates to future obligations to former members of staff. The provision is an actuarial calculation 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

	2011	2010
	£'000	£'000
Revaluation reserve		
Balance at 1 April 2010	1,564	1,588
Revaluation during Year	-	-
Depreciation released to SOFA	<u>(26)</u>	<u>(24)</u>
Balance at 31 March 2011	<u>1,538</u>	<u>1,564</u>
Accumulated unrestricted reserve		
Balance at 1 April 2010	3,359	3,273
Surplus/(Deficit) for year	<u>1,476</u>	<u>(1,149)</u>
Unrestricted Reserve prior to transfers	4,835	2,124
Transfer from Revaluation Reserve	26	24
Transfer re pension scheme reserve	<u>(1,111)</u>	<u>1,211</u>
Balance at 31 March 2011	<u>3,750</u>	<u>3,359</u>
Defined benefit pension scheme reserve		
Balance at 1 April 2010	(1,524)	(313)
Realised movement	619	21
Unrealised movement	<u>492</u>	<u>(1,232)</u>
Balance at 31 March 2011	<u>(413)</u>	<u>(1,524)</u>
Total Reserves at 31 March 2011	<u>4,875</u>	<u>3,399</u>

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

	2011	2010
	£'000	£'000
(Deficit)/Surplus of income over expenditure	773	(185)
Depreciation on tangible fixed assets	194	223
Loss on disposal of fixed assets	2	-
Less: Interest on deposits	(27)	(24)
Decrease / (Increase) in debtors	1	(30)
Increase in creditors	5	130
Defined benefit pension scheme	(492)	(20)
(Decrease) / Increase in pension provisions	<u>(11)</u>	<u>44</u>
Net cash inflow from operations	<u>445</u>	<u>138</u>

16 Analysis of Changes in Net Funds

	At 01/04/10 £'000	Cash Flows £'000	Unrealised Gain £'000	At 31/03/11 £'000
Cash at bank and in hand	291	(86)	-	205
Management of Liquid resources: Short term deposits and investments	1,960	349	83	2,392
Total Funds	2,251	263	83	2,597

17 Pensions

The Council participates in two pension schemes. Six employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. The contributions are 6.4% (2010: 6.4%) for employees and 14.9% (2010: 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 18.2% for 2011 (2010: 17.3%). 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 2008 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 31 March 2011, 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 31 March were as follows:

	2011 % per annum	2010 % per annum
Inflation/ Pension increase rate	2.8%	3.8%
Salary increases	5.1%	5.3%
Pension increases	6.9%	7.2%
Discount rate	5.5%	5.5%

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2008. 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:

		2011 Years	2010 Years
Current Pensioners	Males	20.6	20.6
	Females	23.9	23.9
Future Pensioners	Males	22.6	22.6
	Females	26.0	25.0

The estimated split of the fund's assets and expected rate of return of the Strathclyde Pension Fund as at 31 March were as follows:

	2011 Share	2010 Share	2011 Return	2010 Return
Equities	77.0%	77.0%	7.5%	7.8%
Bonds	13.0%	13.0%	4.9%	5.0%
Property	7.0%	7.0%	5.5%	5.8%
Cash	4.0%	3.0%	4.6%	4.8%

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

	2011 £'000	2010 £'000
Fair value of employer assets	4,581	4,045
Present value of funded liabilities	(4,921)	(5,494)
Present value of unfunded obligations	(73)	(75)
Net liability in the balance sheet	<u>(413)</u>	<u>(1,524)</u>

Changes in the fair value of scheme assets

	2011 £'000	2010 £'000
Opening fair value of scheme assets	4,045	2,774
Expected return on scheme assets	299	187
Actuarial gains	28	889
Contributions by employer	226	215
Contributions by participants	82	80
Estimated benefits paid (net of transfer)	(99)	(100)
Closing fair value of scheme assets	<u>4,581</u>	<u>4,045</u>

Changes in the present value of the defined benefit pension liability

	2011 £'000	2010 £'000
Opening defined benefit liability	5,569	3,087
Service cost	275	138
Interest cost	293	218
Actuarial (gain)/loss	(591)	2,121
Estimated benefits paid (net of transfer)	(103)	(104)
Contributions by participants	82	80
Past service (gains)/losses	(531)	29
Closing defined benefit liability	<u>4,994</u>	<u>5,569</u>

Movement in (deficit)/surplus during the year

	2011 £'000	2010 £'000
Operating (deficit)/surplus	(1,524)	(313)
Current service cost	(275)	(138)
Employers contributions	226	215
Past service costs	531	(29)
Contributors' unfunded benefits	4	4
Interest cost	(293)	(218)
Expected return on employer assets	299	187
Actuarial losses	619	(1,232)
Closing deficit	<u>(413)</u>	<u>(1,524)</u>

Amounts recognised in the Statement of Financial Activities

	2011 £'000	2010 £'000
Current service costs	275	138
Past service costs	(531)	29
Interest on pension scheme liabilities	293	218
Expected return on employer assets	(299)	(187)
	<u>(262)</u>	<u>198</u>
Actual return on scheme assets	<u>328</u>	<u>1,078</u>

Five year history of experience gains and losses

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Defined benefit obligation	(4,994)	(5,569)	(3,087)	(2,969)	(3,300)
Value of scheme assets	<u>4,581</u>	<u>4,045</u>	<u>2,774</u>	<u>3,285</u>	<u>3,202</u>
Net (liability)/asset	<u>(413)</u>	<u>(1,524)</u>	<u>(313)</u>	<u>316</u>	<u>(98)</u>
Experience gain/(loss) on scheme liabilities	591	(2,121)	182	718	273
Experience gain/(loss) on scheme assets	<u>28</u>	<u>889</u>	<u>(883)</u>	<u>(334)</u>	<u>3</u>
Actuarial gain/(loss) recognised in Statement of Financial Activities	<u>619</u>	<u>(1,232)</u>	<u>(701)</u>	<u>384</u>	<u>276</u>

The employers' contributions for the year ended 31 March 2012 are estimated at approximately £246,000.

18 Operating Leases

At 31 March the Council had annual operating lease commitments as set out below

	2011 £'000	2010 £'000
Leases which expire:		
- within one year	-	-
- in two to five years	23	23
- over five years	-	-
	<u>23</u>	<u>23</u>

In May 2011 the Council entered into a three year leasing agreement with an annual commitment of £23,768

19 Indemnity Insurance

The Council paid £13,125 (2010: £13,125) for professional indemnity insurance for the year ended 31 March 2011.

20 Future Commitments

The Council had future capital commitments amounting to £ nil (2010: £ nil). The Council's budget for the year 2011-12 includes provision for asset purchases amounting to £250,000

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

GTC Scotland

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