

DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report & Accounts

Year to 31 March 2009

Registered Charity: SC006187

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Status of GTC Scotland

- ❖ Established under the Teaching Council (Scotland) Act 1965
- ❖ An Advisory Non-Departmental Public Body (NDPB)
- ❖ 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 59 (53 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 2009

- ❖ Close liaison with Scottish Government in relation to independence proposals;
- ❖ Preparation for the launch of the Scottish Government independence consultation, including liaison with key educational stakeholders;
- ❖ Dissemination of the Code of Professionalism and Conduct;
- ❖ Revision of Standard for Chartered Teacher;
- ❖ Pilot project relating to Standard for Headship;
- ❖ Enhanced induction, training and evaluation programmes for Council members and staff;
- ❖ Development of on-line probationer teacher monitoring system;
- ❖ Development of on-line access for teachers and other stakeholders through MYGTCS Portal;
- ❖ Implementation of Corporate Communications strategy;
- ❖ Preparation for 2009 GTC Scotland election.

Full details of GTC Scotland's performance during the year are set out in the Annual Plan 2008-2009 End-of-Year Review available from the website at www.gtcs.org.uk.

Plans for the Future include

- ❖ Work closely with the Scottish Government to develop proposals regarding the Council's future status and independence;
- ❖ Monitoring the impact and effectiveness of the Code of Professionalism and Conduct and publishing related guidance and information;
- ❖ Implementation of the recommendations of the Chartered Teacher Programme Review;
- ❖ Implementation of the approved Corporate Communications plan;
- ❖ Developing flexible routes for the achievement of the standards for Chartered Teachers and Headteachers;
- ❖ Further development of e-services to provide an enhanced service to teachers and other stakeholders;
- ❖ Publishing a revised and comprehensive set of professional standards for teachers;
- ❖ Prepare for Council elections due to be held in 2009.

Detailed plans for the year to 31 March 2009 are set out in the Annual Plan 2008-2009 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
Director of Education Policy
Director of Corporate and Legal Governance (Council Secretary)
Director of Finance and Administration
Director of Professional Services

*Anthony Finn
*Tom Hamilton
Irene Hunter
Gavin Scott
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 Teaching Council (Scotland) Act 1965 and other regulatory requirements.

Advisers

Auditors:

Scott Moncrieff
17 Melville Street
Edinburgh EH3 7PH

Principal Bankers:

The Bank of Scotland
Castle Terrace Branch
1 Castle Terrace
Edinburgh EH1 2DP

Solicitor:

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

Membership of the Council - 1 April 2008 to 31 March 2009

Elected Members

- (a) **Primary/Nursery Headteachers (4)**
*Patrick J Boyle
*Thomas L F Burnett
*Frieda E Fraser
*Gerard Maguire (From May 2008)
- (b) **Primary/Nursery Teachers (7)**
*Margaret Bryce-Stafford
*May Ferries
*Linda A Fisher-Dougan
*Frances Fyfe (From February 2009)
*Linda J Gray
*Susan Quinn
*Michael Ross (To November 2008)
*Margaret C H Smith (From August 2008)
- (c) **Secondary Headteachers (3)**
*Ian Anderson
*Douglas Milne
*James Thewliss
- (d) **Secondary Teachers (8)**
*Ann L Ballinger
*Kay Barnett
*John Devine
*James B Forbes
*William Gorrie
*David M M Malloch
*Anne M O'Kane
*Margaret A Smith
- (e) **Pre-school/Non-school Teachers (1)**
*Vacancy
- (f) **Further Education (2)**
*John M Cassidy
*Kirsty Devaney
- (g) **Relevant Institutions (1)**
*Anne T Wilson

Assessors Appointed by Scottish Ministers

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

Observer

Wray Bodys, HM Inspectorate of Education

Appointed Members

- (a) **Convention of Scottish Local Authorities (3)**
Eric Gotts
*Terry Loughran
Isobel Strong
- (b) **Association of Directors of Education in Scotland (3)**
*Gordon Ford
Donald MacKay
*Leslie Manson
- (c) **Further Education Colleges (1)**
*David Murray (To May 2008)
*Graeme Hyslop (From July 2008)
- (d) **Scottish Council of Independent Schools (1)**
Judith Sischy
- (e) **Relevant Institutions (4)**
*Jill Bourne
*James C Conroy
*Pamela Munn
*Ian Smith
- (f) **Universities Other Than Relevant Institutions (3)**
Veronica Bamber
*Lesley H R Kydd
*Ian Minty
- (g) **Church of Scotland (1)**
*Jane Reid (To June 2008)
*David McTaggart (From September 2008)
- (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
Vacancy

(*Registered Teacher)

Statistics - Year ended 31 March 2009

Accreditation and Review		
Programmes/Modules Accredited During the Year		
Initial Teacher Education Programmes	Chartered Teacher	Headship
3	0 programmes, 0 modules	0
Registered Teacher Numbers		
Registered	79,780	
Newly Qualified	3,261	
Admission (Trained outwith Scotland)	658	
Total Registered	83,699	

Chartered Teacher Awards	
Programme Route	60
Accreditation Route	116
Total Awards	176
Total Chartered Teachers	787
(since programme commencement in 2003)	

Probationer Teachers Awarded Full Registration	
Teacher Induction Scheme	3409
Alternative Route	820
Total Awards	4229

Investigating and Disciplinary Procedures						
Continued & Outstanding Cases C/F From 2008/2009				117	Total: 391	
New cases 2008/2009				274		
New cases reported				273		
Applicants for restoration to the register				1		
Cases Resolved 2008/2009				232	Total: 391	
Administratively or by ISC Convener				176		
By Investigating Sub-Committee (ISC)				36		
• No Further Action				30		
• Referred to DSC				6		
By Disciplinary Sub-Committee (DSC)				20		
• Application for Registration	- Accepted	1	• Registered Teacher	- No order		0
	- Refused	0		- Reprimand		2
	- Withdrawn	0		- Conditional Registration Order		1
• Application for Restoration	- Accepted	1		- Removal from the Register		15
	- Refused	0		- Direction Deferred	-	
	- Withdrawn	0				
Continued & Outstanding Cases C/F to 2009/2010				159	Total: 391	

Freedom of Information Requests	
67	

Complaints (Process or Service Delivery)	
Total of 10	6 concluded at Stage 1 (informal investigation) of complaints procedure 2 concluded at Stage 2 (formal investigation) of complaints procedure 2 concluded at Stage 3 (review) of complaints procedure

Staff Monitoring Summary													
Staff in Post	Gender		Ethnic Origin				Age					With a Disability	
	Female	Male	White	Mixed or Other	Black	Asian	Under 25	25-34	35-44	45-54	55-64		Over 65
60	78%	22%	98%	2%	-	-	5%	22%	25%	30%	18%	-	7%

More detailed statistics are set out in the GTC Scotland Annual Statistical Digest 2008-2009 available from the website at www.gtc.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	2009 £'000	2008 £'000
• Operating surplus	61	219
• Potential pension liabilities (increased)/reduced by	(701)	384
• (Decrease)/increase in Unrestricted Reserves	(888)	1,683
• Investment in Fixed Assets	240	212
• Significant investment during the year in the provision of E-services to teachers and other stakeholders and electronic access to the Register of Teachers by members of the public.		

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. This target level has been achieved and Council has recommended that registration fees remain unchanged for 2009/10. Current financial projections allow for the level of liquid funds to reduce in the medium term.

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 has established a Defined Benefit Pension Scheme Reserve. Details of this are set out in notes 14 and 17 to the accounts.

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 loss 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.

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.

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 2009. Council also confirms that applicable 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 and Independence

In 2006 GTC Scotland was informed by the Office of the Scottish Charities Regulator (OSCR) that GTC Scotland would be removed from the Scottish Charity Register as OSCR considered that GTC Scotland failed to meet the charity test in respect of the degree of control potentially exercisable by Scottish Ministers. GTC Scotland appealed this decision. In February 2008 the First Minister announced the Government's intention to pass legislation which would establish GTC Scotland as a fully independent organisation thereby removing the potential for ministerial control questioned by OSCR. The Scottish Government conducted a consultation exercise which closed on 26 June 2009 and Government proposals are expected to be published in Autumn 2009. OSCR officials had indicated that the measures proposed by the Government would satisfy their requirements by removing any element of Ministerial control.

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

May Ferries



Chief Executive

Convener of Council

30 September 2009

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

This report is issued in respect of an audit carried out under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of The General Teaching Council for Scotland for the year ended 31 March 2009 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), Balance Sheet, Cash Flow Statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Council members, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005, Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and the Teaching Council (Scotland) Act 1965. Our audit work has been undertaken so that we might state to the Council's 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 Council and its 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

The responsibilities of the council members for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Teaching Council (Scotland) Act 1965. We also report to you if, in our opinion, the information given in the Annual Report is consistent with the financial statements, if the Council has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Teaching Council (Scotland) Act 1965.

Scott Moncrieff

Scott Moncrieff
Registered Auditors
Eligible to act as an auditor in terms of Section 25 of the Companies Act 1989
Chartered Accountants
17 Melville Street
Edinburgh EH3 7PH

30 September 2009

Statement of Financial Activities

(Incorporating the Income and Expenditure Account)

For the year ended 31 March 2009

	Notes	Total Unrestricted Funds 2009 £'000	Total Unrestricted Funds 2008 £'000
Incoming Resources			
From Council Activities	2	3,790	3,760
From Generated Funds			
Interest and Investment Income	3	125	138
Other Incoming Resources		13	17
Total Incoming Resources		3,928	3,915
Resources Expended			
Council Activities	4	3,785	3,619
Governance - General Expenses	5	82	77
Governance - Election Expenses	6	-	-
Total Resources Expended		3,867	3,696
Net incoming resources before recognised gains and losses			
		61	219
Loss/Gain on investment assets	11	(249)	(138)
Actuarial gains/losses on defined benefit pension scheme	17	(701)	384
Revaluation of Fixed Asset		-	1,218
Net decrease / increase in funds		(889)	1,683
Unrestricted funds at 1 April 2008	14	5,439	3,756
Unrestricted funds at 31 March 2009	14	4,550	5,439

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.

	2009 £'000	2008 £'000
Note of Historical Cost (Deficit)/Surplus		
Net incoming resources for the year	61	219
Difference between historic and actual depreciation charge for the year on the revalued amount	24	-
Historical cost surplus for the year	85	219

Balance Sheet at 31 March 2009

	Notes	2009 £'000	2008 £'000
Tangible fixed assets	9	<u>3,542</u>	<u>3,550</u>
Current assets			
Debtors and prepayments	10	72	92
Investments	11	591	841
Short term deposits		1,125	1,150
Bank and cash balances		<u>250</u>	<u>192</u>
		<u>2,038</u>	<u>2,275</u>
Liabilities			
Creditors: Amounts due within one year	12	<u>(319)</u>	<u>(314)</u>
Net Current Assets		<u>1,719</u>	<u>1,961</u>
Total Assets less Current Liabilities		5,261	5,511
Provision for liabilities and charges			
Provision for pension liabilities	13	<u>(399)</u>	<u>(388)</u>
Net Assets excluding defined benefit pension scheme liability		<u>4,862</u>	<u>5,123</u>
Defined benefit pension scheme liability		<u>(313)</u>	<u>316</u>
Net Assets including defined benefit pension scheme liability		<u>4,549</u>	<u>5,439</u>
Represented by unrestricted funds			
Accumulated unrestricted reserve	14	3,273	3,509
Revaluation reserve	14	<u>1,590</u>	<u>1,614</u>
Unrestricted funds excluding pension reserves		4,863	5,123
Defined benefit pension scheme reserve	14	<u>(313)</u>	<u>316</u>
Total funds		<u>4,550</u>	<u>5,439</u>

Approved on 30 September 2009 by the Finance and General Purposes Committee of the Council and signed on its behalf by the Convener:



Approved on 30 September 2009 by The General Teaching Council for Scotland and signed on its behalf by the Convener of Council:



Cash Flow Statement

For the Year Ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Net cash flow from operating activities	15	147	445
Returns on investments and servicing of finance			
Interest received		125	138
Capital expenditure and financial investment			
Purchase of fixed assets	9	(240)	(212)
Disposal of fixed assets		-	-
Cash inflow before financing		<u>32</u>	<u>371</u>
Management of liquid resources	16	26	(300)
Increase in cash in the year	16	<u>58</u>	<u>71</u>
Reconciliation of net cash flow to movement in net funds			
Net cash and liquid funds at 1 April 2008		2,183	1,950
Movement in net cash		58	71
Movement in liquid resources		(26)	300
Non-cash changes		(249)	(138)
Net cash and liquid funds at 31 March 2009	16	<u>1,966</u>	<u>2,183</u>

All incoming resources and expenditures are derived from continuing activities.

Notes to the Financial Statements

For the year ended 31 March 2009

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 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 the Council 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 Executive 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 is £500.

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 £701,000.

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

2 Incoming Resources from Council Activities

	2009	2008
	£'000	£'000
Registration	3,492	3,528
Continuing Professional Development (CPD)	298	232
	<u>3,790</u>	<u>3,760</u>

3 Interest and Investment Income

	2009	2008
	£'000	£'000
Bank Interest	18	27
Short Term Deposit Interest	107	111
	<u>125</u>	<u>138</u>

4 Council Activities

	2009 £'000	2008 £'000
Salaries and related staff costs	2,104	1,986
Administration	514	505
Bureaux and professional services	461	521
Continuing Professional Development	275	246
Property and Security	183	161
Depreciation	246	200
Loss on Disposal of Fixed Assets	2	-
	<u>3,785</u>	<u>3,619</u>

5 Governance – General Expenditure

	2009 £'000	2008 £'000
Accommodation and catering	28	29
Travel and subsistence	43	38
Auditors' remuneration	11	10
	<u>82</u>	<u>77</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 Expenditure

	2009 £'000	2008 £'000
	<u>-</u>	<u>-</u>

An election to determine the 26 elected teacher members of the Council was held in September 2005. The next election will be held in September 2009.

7 Employee Information

	2009	2008
	£'000	£'000
Staff costs		
Wages and salaries	1,628	1,559
Social security costs	126	120
Pension costs	239	216
	<u>1,993</u>	<u>1,895</u>

The average number of persons (excluding Council members) employed by the Council during the year was 59 (2008 – 57) of which 14 (14) were part-time. During the year there were on average 53 (52) full time equivalent employees. Payments in respect of temporary staff amounted to £21,868 (£45,353).

Employee Costs – Salary Bands		2009	2008
£'000	£'000	No	No
1	9	3	2
10	19	21	20
20	29	21	20
30	39	4	6
40	49	5	4
50	59	3	4
60	69	1	-
70	79	-	-
90	99	1	-
100	109	-	1

Chief Executive's Remuneration	Salary		Employer's pension contribution	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
M.M. MacIver	51	100	7	14
A.O.B Finn	48	-	6	-

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 2008	3,250	759	221	4,230
Additions	88	94	58	240
Disposals	-	(17)	-	(17)
Revaluation	-	-	-	-
At 31 March 2009	3,338	836	279	4,453
Depreciation				
At 1 April 2008	-	606	74	680
Charge for year	66	95	85	246
Depreciation on disposals	-	(16)	-	(16)
Depreciation on revaluation	-	-	-	-
At 31 March 2009	66	685	159	910
Net book value				
At 31 March 2009	3,272	151	120	3,543
At 31 March 2008	3,250	153	147	3,550

- (a) Clerwood House was valued in January 2008 at £3,250,000 on an existing use basis by independent valuers Speirs Gumley, Chartered Surveyors.
- (b) The historic cost of the land and buildings was £2,081,067 as at 31 March 2009.

10 Debtors and prepayments

	2009 £'000	2008 £'000
Debtors	2	30
Prepayments	52	46
Accrued Income	18	16
	72	92

11 Investments

	2009 £'000	2008 £'000
Market value at 1 April 2008	841	729
Additions at cost	0	250
Net (loss) on re-valuation	(249)	(138)
Market value at 31 March 2009	592	841

12 Creditors

	2009 £'000	2008 £'000
Due within one Year:		
Trade Creditors	94	47
Accruals	105	217
Chartered Teacher Programme	100	50
George D Gray Award	20	-
	319	314

13 Provision for pension liabilities

	2009	2008
	£'000	£'000
Provision at 1 April 2008	388	381
Amounts used during year	(16)	(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>27</u>	<u>23</u>
Provision at 31 March 2009	<u>399</u>	<u>388</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

	2009	2008
	£'000	£'000
Revaluation reserve		
Balance at 1 April 2008	1,614	396
Revaluation during Year	-	1,218
Depreciation released to SOFA	<u>(24)</u>	<u>-</u>
Balance at 31 March 2009	<u>1,590</u>	<u>1,614</u>
Accumulated unrestricted reserve		
Balance at 1 April 2008	3,508	3,458
Surplus for year	<u>(888)</u>	<u>1,683</u>
Unrestricted Reserve prior to pension transfer	2,620	5,141
Transfer from/(to) revaluation reserve	24	(1,218)
Transfer re pension scheme reserve	<u>629</u>	<u>(414)</u>
Balance at 31 March 2009	<u>3,273</u>	<u>3,509</u>
Defined benefit pension scheme reserve		
Balance at 1 April 2008	316	(98)
Realised movement	72	30
Unrealised movement	<u>(701)</u>	<u>384</u>
Balance at 31 March 2009	<u>(313)</u>	<u>316</u>
Total Reserves at 31 March 2009	<u>4,550</u>	<u>5,439</u>

15 Reconciliation of surplus of income over expenditure to net cash inflow from operating activities

	2009	2008
	£'000	£'000
Surplus of income over expenditure	62	219
Depreciation on tangible fixed assets	246	200
Loss on disposal of fixed assets	2	-
Less: Interest on deposits	(125)	(138)
(Increase) in debtors	(20)	(22)
Increase in creditors	5	210
Defined benefit pension scheme	(34)	(30)
Increase in pension provisions	<u>11</u>	<u>6</u>
Net cash inflow from operations	<u>147</u>	<u>445</u>

16 Analysis of Changes in Net Funds

	At 01/04/08 £'000	Cash Flows £'000	Unrealised Gain £'000	At 31/03/09 £'000
Cash at bank and in hand	192	58	-	250
Management of Liquid resources: Short term deposits and investments	1,991	(26)	(249)	1,716
Total Funds	2,183	32	(249)	1,966

17 Pensions

The Council participates in two pension schemes. Eight employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. The contributions were 6.4% for employees and 13.5% 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 contributed 6% of their salary to the scheme and employers' contributions were 16.8% for 2008/09. 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 2009, 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:

	2009 % per annum	2008 % per annum
Price increases	4.6%	3.6%
Salary increases	3.1%	5.1%
Pension increases	6.9%	3.6%
Discount rate	3.1%	6.9%

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:

		Years
Retiring today	Males	20.3
	Females	23.2
Retiring in 20 years	Males	21.7
	Females	24.6

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

	2009 Share	2008 Share	2009 Return	2008 Return
Equities	73.0%	73.0%	7.0%	7.7%
Bonds	16.0%	14.0%	5.4%	5.7%
Property	8.0%	10.0%	4.9%	5.7%
Cash	3.0%	3.0%	4.0%	4.8%

Amounts recognised in the balance sheet:

	2009 £'000	2008 £'000
Fair value of employer assets	2,774	3,285
Present value of funded liabilities	(3,027)	(2,909)
Present value of unfunded obligations	(60)	(60)
Net liability	<u>(313)</u>	<u>(316)</u>

Changes in the fair value of scheme assets

	2009 £'000	2008 £'000
Opening fair value of scheme assets	3,285	3,202
Expected return on scheme assets	238	234
Actuarial losses	(883)	(334)
Contributions by employer	195	172
Contributions by participants	70	64
Estimated benefits paid (net of transfer)	(131)	(53)
Closing fair value of scheme assets	<u>2,774</u>	<u>3,285</u>

Changes in the present value of the defined benefit pension liability

	2009 £'000	2008 £'000
Opening defined benefit liability	3,087	2,969
Service cost	2,969	3,300
Interest cost	147	200
Actuarial losses	208	180
Estimated benefits paid (net of transfer)	(182)	(718)
Contributions by participants	(135)	(57)
Past service losses/gains	70	64
Closing defined benefit liability	<u>10</u>	<u>-</u>
	<u>3,087</u>	<u>2,969</u>

Movement in deficit/surplus during the year

	2009 £'000	2008 £'000
Operating surplus/(deficit)	316	(98)
Current service cost	(147)	(200)
Contributions	195	172
Past service costs	(10)	-
Contributors' unfunded benefits	4	4
Net return on assets	30	54
Actuarial (losses)/gains	(701)	384
Closing (deficit)/surplus	<u>(313)</u>	<u>316</u>

Amounts recognised in the Statement of Financial Activities

	2009	2008
	£'000	£'000
Current service costs	147	200
Past service costs	10	-
Interest on pension scheme liabilities	208	180
Expected return on employer assets	<u>(238)</u>	<u>(234)</u>
	<u>127</u>	<u>146</u>
Actual return on scheme assets	<u>(697)</u>	<u>(100)</u>

Five year history of experience gains and losses

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	3,087	2,969	3,300	3,234	2,398
Value of scheme assets	<u>2,774</u>	<u>3,285</u>	<u>3,202</u>	<u>2,841</u>	<u>1,991</u>
Loss/(gain)	<u>313</u>	<u>(316)</u>	<u>98</u>	<u>393</u>	<u>407</u>
Experience gain/(loss) on scheme liabilities	182	718	273	(421)	(44)
Experience (loss)/gain on scheme assets	<u>(883)</u>	<u>(334)</u>	<u>3</u>	<u>441</u>	<u>65</u>
Actuarial (loss)/gain recognised in Statement of Financial Activities	<u>(701)</u>	<u>384</u>	<u>276</u>	<u>20</u>	<u>21</u>

18 Operating Leases

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

	2009	2008
	£'000	£'000
Leases which expire:		
- within one year	-	1
- in two to five years	-	-
- over five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1</u>

19 Indemnity insurance

The Council paid £17,325 (2008: £21,525) for professional indemnity insurance for the year ended 31 March 2009.

20 Future Commitments

The Council had future capital commitments amounting to £nil (2008: £nil). The Council's budget for the year 2009-10 includes provision for asset purchases amounting to £250,000 (£250,000).

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

GTC Scotland

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