

DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report & Accounts

as of 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 |
| | - Refused | 0 | | |
| | - Withdrawn | 0 | | |
| • Application for Restoration | - Accepted | 1 | | - No order |
| | - Refused | 0 | - Reprimand | 2 |
| | - Withdrawn | 0 | - Conditional Registration Order | 1 |
| | | | - Removal from the Register | 15 |
| | | | - Direction Deferred | - |
| Continued & Outstanding Cases C/F to 2009/2010 | | 159 | | |

| 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.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 | 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 as the net outgoing/ incoming resources shown above. uld be the same

| | 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 | | 32 | 371 |
| Management of liquid resources | 16 | 26 | (300) |
| Increase in cash in the year | 16 | 58 | 71 |
| 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 | 1,966 | 2,183 |

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 |
| | 3,790 | 3,760 |

3 Interest and Investment Income

| | 2009 | 2008 |
|-----------------------------|--------------|--------------|
| | £'000 | £'000 |
| Bank Interest | 18 | 27 |
| Short Term Deposit Interest | 107 | 111 |
| | 125 | 138 |

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 | <u>239</u> | <u>216</u> |
| | <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). | 27 | 23 |
| Provision at 31 March 2009 | 399 | 388 |

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

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 | 11 | 6 |
| Net cash inflow from operations | 147 | 445 |

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 | <u>1,991</u> | <u>(26)</u> | <u>(249)</u> | <u>1,716</u> |
| Total Funds | <u>2,183</u> | <u>32</u> | <u>(249)</u> | <u>1,966</u> |

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