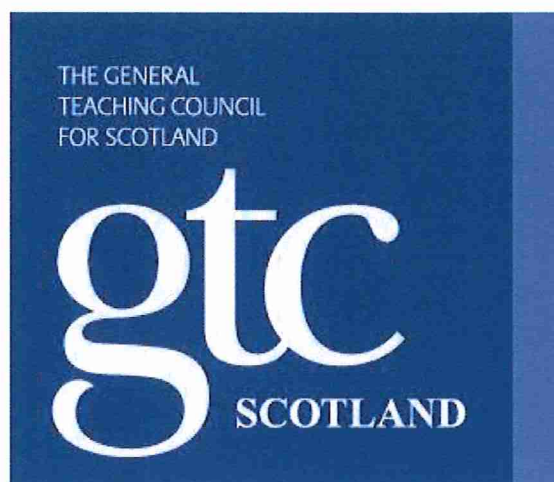


DRIVING FORWARD PROFESSIONAL
STANDARDS FOR TEACHERS



Annual Report and Accounts

2015-2016

Registered Charity: SC006187

Vision

The General Teaching Council for Scotland, as the independent professional body which promotes and regulates the teaching profession in Scotland, aspires to:

- ❖ maintain the confidence of the public through effective governance and by always working in the public interest
- ❖ be a world leader in professional education issues
- ❖ maintain and enhance standards of learning and teaching
- ❖ actively promote teacher professionalism.

Equality and Diversity Statement

- ❖ GTC Scotland promotes equality and diversity because we respect and value difference. We want everything that we do to be fair to all individuals and groups.
- ❖ While all teachers registered with us must meet the required professional standards of conduct and competence, we want to promote an inclusive profession that incorporates people from a range of diverse backgrounds and that respects the principle of equal treatment. We understand that varied perspectives will make valuable contributions to the teaching profession and that this will benefit learners.
- ❖ We want to ensure that all of our policies and services are free from discrimination. We seek to promote equality of opportunity by recognising and developing the diversity of talent within staff and Council, committee and panel members under an ethos of mutual respect and trust.

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1 Welcome

1.1 Convener's Report

My role as Council Convener has allowed me the privileged position to gain an insight into the complex world of Scottish education at a strategic level. Over the past year, I have witnessed interesting and varied work progress through GTC Scotland's Committee and Council meetings which will undoubtedly have a significant impact on the teaching profession and education in Scotland.

This has included ongoing work around the implementation, evaluation and development of Professional Update, around GTC Scotland's fitness to teach and legal adjudication services, and towards improved organisational effectiveness and capability. We have also seen a range of important work around registration, including the registration of Instrumental Music Instructors, the registration of teachers in independent and grant-aided schools, dual registration during the Teacher Induction Scheme and the publication of revised Registration and Standards Rules. You will find some further details of these significant projects reported here in this document.

During the past year we have also held a Council Election, the first to have taken place solely online, and I was delighted to be re-elected as Council Convener.

In my "day job" as Head Teacher of Westhill Academy in Aberdeenshire I take with me experiences from Council, which I am able to relay to others. There are, of course, notable teacher shortages in Aberdeenshire and others areas of Scotland, a problem which cannot be easily resolved, and I have been impressed by the way GTC Scotland has introduced increased flexibility to enable more teachers to enter the profession. GTC Scotland has worked closely with Scottish Government, initial teacher education institutions and local authorities to listen and respond to the difficulties being faced. It is working proactively with partners to continue to review routes into teaching to ensure an adequate supply of suitably qualified new teachers into the profession.

I am pleased to be able to continue the work I began during my first term as Convener and would like to thank GTC Scotland staff and Council members, and all of our partners and stakeholders, as we continue to work together to advance education in Scotland.

1.2 Chief Executive's Statement

These are unprecedented times in Scottish education. In recent years, Curriculum for Excellence, Teaching Scotland's Future and Developing the Young Workforce have set the general direction of travel for the future of Scottish education. More recently, that general direction has been given greater focus and momentum with the publication of the Organisation for Economic Co-operation and Development (OECD) report on Scottish schools, the Scottish Government's Attainment Challenge, the National Improvement Framework (NIF) and its related Delivery Plan. The developments all impact on the work of GTC Scotland.

Delivering the high quality, world class education system to which we all aspire is dependent on many things. Principal amongst them however, is the need for strong teacher professionalism. The NIF states that "ensuring the highest professional standards for all teachers in Scotland will help to ensure the highest standards and expectations for all children", and I myself firmly believe this statement to be true – *the professionalism of teachers is absolutely essential if we are to improve education for our children and young people in Scotland.*

As guardian of the professional standards for teachers, GTC Scotland plays a key role in supporting and enhancing teacher professionalism and leadership in Scottish education, and that expectation is clearly set out in the NIF. Further enhancing teacher professionalism and leadership, and supporting professional learning, lie at the heart of the work we will do over the next, and coming, years.

It isn't always well recognised by registrants, but what is done by GTC Scotland impacts daily on the work of all professional educators across the country – whether it is through our Professional Standards; Professional Update and Professional Learning; the lead role we play in the Teacher Induction Scheme and the Student Placement System; our accreditation of initial teacher education programmes; or issuing our Professional Recognition Awards. Increasingly, that influence is being extended to other groups of educators as we register more college lecturers and teachers qualified outside Scotland, and introduce new groups to the register such as instrumental music instructors and all teachers in independent schools. Our current development of a national E-Portfolio (to be called My Professional Learning and based around our successful MyGTCS) will provide a further part of the infrastructure that will support the professional learning, leadership and professionalism of all registrants.

Just as these are unprecedented times in the world of education, they are equally so in the regulatory world. As our education system drives forward change and improvement, the same is expected of national regulatory bodies such as GTC Scotland. Recent publications from the Professional Standards Authority (PSA) urge a greater focus by regulators on “right-touch regulation”. This requires GTC Scotland to ask increasingly what the risk is we are regulating, being proportionate and targeted in regulating that risk and finding ways other than regulation to promote good practice and high-quality. In essence, it is about adopting the minimum regulatory force required to achieve the desired result and GTC Scotland will over the next year engage in a review of our Fitness to Teach Rules and procedures to ensure we remain at the forefront of regulatory best practice.

The integrated way in which GTC Scotland is bringing together regulation and registration with professional learning and driving leadership and teacher professionalism is increasingly being recognised as a powerful combination to support change and bring about sustained improvement to an education system. In the past year, there has been increasing international interest in the work of GTC Scotland as a model that other countries are looking to follow and this will undoubtedly continue over the coming year.

GTC Scotland, as the independent regulator for the teaching profession, is already playing an integral part in the Scottish education and regulatory landscapes as they change. And it's important to highlight that, rather than simply reacting to change, GTC Scotland has been engaging with stakeholders and partners to help shape that change. Throughout this report you will find examples of the work that we have progressed over the past year towards meeting our 2014–17 strategic objectives. You will also see our ambitious plans for the coming year, all of which require the continuing support from registrants, partners and stakeholders if we are to achieve them all for the benefit of learners.

Bold and challenging agendas have been set for Scottish education and GTC Scotland over the coming year. Success will depend on delivering much of what is set out in this report. What is not always fully recognised is that success will also need an increased focus on talking up teaching in a way that generates greater trust and confidence in the profession and attracts new teachers to the profession. There is much that is positive about Scottish education and the public should know much more about the sheer hard work and dedication of teachers, as well as the rewarding career it offers. In my view, there can be no greater

responsibility and no more invigorating a career than helping give future generations the sustained skills and confidence to add real value to Scottish society.

2 Progress Against our Strategic Objectives

2.1 Act in the public interest to ensure confidence in the teaching profession

Highlights at a glance

- ❖ Public consultation on proposed changes to our Registration Rules from 17 September to 2 November 2015
- ❖ The reintroduction of Provisional (Conditional) Registration with the publication of the Revised rules in December 2015
- ❖ Accreditation of the University of Buckingham's Postgraduate Certificate in Education in July 2015
- ❖ A pilot at Gordonstoun independent school in Elgin to support the registration of independent school teachers

GTC Scotland's Registration and Standards Rules provide the foundations on which Scotland's teaching profession is built. They set out the qualifications and experience required of teachers, fundamentally shaping GTC Scotland's registration processes and the quality of education in Scotland.

Over the past year we have been looking at ways to introduce increased flexibility to our registration processes for applicants qualified outside Scotland. We particularly wanted to ensure that we allow the level of flexibility necessary to recognise the diversity of the qualifications we increasingly see whilst ensuring that appropriate teaching standards are maintained in Scottish schools.

We have also been working with Scottish Government and stakeholders across Scotland in relation to the Education (Scotland) Bill's requirements for the mandatory registration of teachers in independent and grant-aided schools. As the Bill progresses through Parliament, we have been putting new processes in place to support this development.

In September 2015, draft revised Registration and Standards rules were published and feedback sought via a Public Consultation. A very positive response was received to the consultation with submissions received from 72 respondents (31 responding on behalf of an organisation and 41 as individuals). All were in favour of the re-introduction of a Provisional (Conditional) Registration category. The revised Rules published on 10 December 2015 reintroduce this category of registration, enabling suitably qualified and experienced teachers to top-up their qualifications to meet the Standards required for Full Registration while teaching in Scottish schools.

Over the last year, we have also continued to review and revise our operational procedures, guidance and training in connection with Fitness to Teach and adjudication proceedings. Work is ongoing to develop and implement a case management IT system to support the work of both the Fitness to Teach and Legal and Adjudication Services teams.

We appointed new Fitness to Teach/Registration Panel members and Conveners in September 2015 and provided induction training to enable them to carry out their role effectively. We also appointed new Investigating Panel members and provided similar induction training to enable them to take up their role with effect from April 2016.

We also continue to prepare for the review of the Code of Professionalism and Conduct, and a decision has been taken to review this guidance alongside the suite of Professional Standards, which will begin in January 2017.

2.2 Set standards and promote high quality professional learning for registrants at all stages in their careers

Highlights at a glance

- ❖ Ongoing evaluation and development of Professional Update
- ❖ Development of the MyPL system to allow teachers to document their professional learning (see Case Study on page 10)
- ❖ The accreditation of professional learning programmes leading to the award of Professional Recognition
- ❖ The accreditation of the Scottish College for Educational Leadership (SCEL) Into Headship programme

The introduction, evaluation and development of Professional Update continue to be extremely important for us. We engage in ongoing research to evaluate engagement with the process and have produced regular reports on implementation to date. In April 2015 we published a comprehensive review of the implementation of the Pilot phase of Professional Update, which is available to read on our website.

More recently, towards the end of the second full year of implementation, we engaged with those who have been involved in the Professional Review and Development (PRD) and sign-off processes, asking them about their experience. For some this has meant speaking directly to GTC Scotland staff as a member of a focus group and for others it has meant completing an evaluation online.

We are able to state confidently that the sign-off process has been completed; we can say that the range of recording systems such as MyGTCS, CPD Manager and SOPRA to name but three are supporting the process; and we can say that the GTC Scotland website is being regularly used to seek further advice, support and guidance regarding professional learning, evidence of impact and EBSCO.

A more challenging area is that of the quality of the Professional Review and Development (PRD) experience and the question, "Has there been a cultural shift and if so what does feedback tell us about this?"

Our online survey told us:

- ❖ 96 per cent had engaged in the PRD process.
- ❖ 90 per cent were actively using the Professional Standards to support their self-evaluation and to plan their professional learning.
- ❖ 76 per cent indicated that PRD met their needs.
- ❖ 88 per cent felt that they had ownership of the process.

Feedback also indicated that the dynamics of the PRD meeting itself are changing with it being seen more as a planned opportunity to have dedicated time to reflect and have meaningful and focused professional dialogue. It was felt by many that the nature of the conversation between the reviewee and the reviewer is also undergoing a change, with a greater focus on areas such as reflection on practice and the impact of professional learning. Those who responded felt that for them the PRD process is becoming less of a "one-off event" and more of an ongoing cycle of professional dialogue.

2.3 Strengthen our role in enhancing professionalism in education

Highlights at a glance

- ❖ Association for Teacher Education in Europe (ATEE) and Association of Electoral Administrators (AEA) Europe conferences in August and November 2015, respectively
- ❖ International Congress for School Effectiveness and Improvement, January 2016
- ❖ GTCS Standard for Headship and SCEL Fellowship Conference and Awards Ceremony, March 2016
- ❖ Teaching Scotland Education Hustings April 2016
- ❖ Publication of Teacher Journey, an online infographic on the GTCS website helping teachers as they navigate through their career
- ❖ Key role in the implementation of the National Improvement Framework

The recent OECD report published in December 2015, which looked at Curriculum for Excellence, was quick to see the potential of the Professional Standards as a force for good in Scottish Education. We continue to encourage the embedding of the Standards within the fabric of Scottish education, while we move towards their review in January 2017.

The notion of the 'enquiring profession' is one that we continue to drive forward, and which is supported through GTC Scotland's ambitious research strategy. GTC Scotland is also working closely with Scottish Government to deliver the teacher professionalism priorities in the National Improvement Framework. A new Education Officer has been appointed to fulfil this work. As part of this, mechanisms will be developed to survey graduating students and teachers at the end of the Teacher Induction Scheme on their level of preparedness for the teaching of literacy, numeracy, and health and wellbeing.

We also continue to work closely with our partners to review routes into teaching to help ensure an adequate supply of new teachers who meet the required standards.

Staff continue to present papers and presentations on GTC Scotland developments at national and international conferences and events while GTC Scotland has supported a number of high-profile conferences held in Scotland over the course of last year. These include:

- ❖ The (ATEE) annual conference held at the University of Glasgow from 24 to 25 August with the theme 'Teacher Education through Partnerships and Collaborative Learning Communities'
- ❖ The 16th annual AEA-Europe conference held at the Radisson Blu Hotel, Glasgow from 5 to 7 November 2015 with the theme 'Assessment and Social Justice'
- ❖ The 29th International Congress for School Effectiveness and Improvement held in Glasgow from 6 to 9 January 2016 (see Case Study on page 10)

An Education Hustings event was held in April 2016 in the run up to the Holyrood election, which GTC Scotland partnered with the Educational Institute of Scotland to deliver (see Case Study on page 11).

2.4 Continue to improve our organisational effectiveness and capability

Highlights at a glance

- ❖ Revised Council member performance review process (as approved by Council) rolled out

- ❖ First Council Election held solely online with nomination and voting processes implemented in line with the timetable approved by Council
- ❖ Electronic door-control access system installed at Clerwood House
- ❖ New responsive GTCS website launched
- ❖ Implementation of Microsoft 365
- ❖ New performance management framework for staff in place

We continue to improve our digital capability to support a move away from paper-based communications. The roll-out of Microsoft 365 has been a useful means of support, allowing staff to access email and documents remotely and providing an acceptable and workable alternative to hard copy paper at meetings.

The 2015-16 Council Election was carried out solely online and paperless Council and Committee meetings have been adopted and supported through use of pooled laptops.

2.4.1 Risk management

We have taken steps to manage our corporate risks effectively by developing a new Corporate Risk Register which is monitored robustly throughout the year. This was reviewed and approved by Council in March 2015 and an annual risk management review by Finance and General Purposes Committee was completed in May 2015.

Some of the major risks identified and closely monitored throughout the financial year are shown below with some of the key mitigating actions. All risks are monitored at each CMT meeting, usually weekly, to ensure that early action is taken.

Risk - Governance – GTCS activities are overly influenced by interest groups

Actions – Mechanism to disclose potential conflicts of interest, training on declarations and potential conflicts of interest, best practice Governance policies.

Risk – Compliance – Failure to comply with legal, governance, regulatory or financial requirements.

Actions – Ongoing application of best practice in the above areas, separation of powers regarding initial screening.

Risk – Public Protection – Actual or perceived failure to protect pupils, the public, witnesses and/or registrants or act in the public interest through the Fitness to Teach investigations process.

Actions – Reviewed structure for decision making, practice statements guidance material issued, Professional Regulatory Assurance (PRA) Committee review of decisions, additional training.

Risk – Resources – Inappropriate or insufficient referrals to GTCS from local authorities/schools.

Actions – Monitoring of caseload levels and staffing levels.

We also carried out a Business Continuity Planning (BCP) exercise and have developed and implemented a Business Continuity Plan following approval by Council. We have carried out a thorough review of our HR policies, procedures and practices to ensure that they comply with legislation and best practice. Managers and staff have been provided with appropriate training and a new performance management framework rolled out from November 2015.

3 Case Studies

3.1 Case study 1: MyProfessionalLearning

A National E-Portfolio for teachers was one of the recommendations of *Teaching Scotland's Future*.

GTC Scotland was asked by Scottish Government in 2014 to carry out a feasibility study looking at three options: using GLOW as the home for a National E-Portfolio; using MyGTCS; or developing a new standalone system. Following a range of feedback and survey data gathered from teachers and local authorities, the scoping study recommended developing MyGTCS as the home for a National E-Portfolio.

Scottish Government then commissioned GTC Scotland in 2015 to start developing a National E-Portfolio within MyGTCS, and to Chair the National E-Portfolio Working Group made up of representatives from across Scottish education including trade unions. This group has engaged with teachers and local authorities through focus groups and surveys to gather information about what teachers would like to see the system offer. The group also decided to call the project MyProfessionalLearning (MyPL).

To guide this project, Scottish Government set a number of general principles for the MyPL working group to follow when developing the new system. These include:

- ❖ Allowing teachers to document their professional learning, record the outcomes of this activity and link this to the Professional Standards and Professional Update.
- ❖ The capability for MyPL to follow teachers between new posts and to new employers – like the MyGTCS account it moves with you.
- ❖ Avoiding double entry inputting by teachers whenever possible and aiming at all times to avoid adding to already busy workloads.
- ❖ Testing by a user group of teachers, employers and possibly universities to ensure functionality and design meets the profession's needs.

MyPL will offer teachers the following services and a number of others still to be finalised:

- ❖ Setting targets for professional learning you want to achieve in a given time-frame, and a tailored calendar and timeline to help you do this.
- ❖ The opportunity to share your professional learning with others should you wish.
- ❖ A library of links to professional learning advice and resources.
- ❖ A "heat map" showing learning achieved in relation to the Professional Standards.
- ❖ Space to reflect on the impact of your learning.
- ❖ Tagging learning so your preferences are noted and you can share with others.
- ❖ A place to keep your employment history up to date.
- ❖ Links to other services such as GLOW.

MyPL will dovetail with Professional Update and offer a streamlined range of services to teachers to enhance their professional learning activities.

MyPL is scheduled to run as a two-year pilot from September 2016 with national roll out of the initiative likely to take place in 2018.

3.2 Case study 2: The International Congress for School Effectiveness and Improvement

GTC Scotland was a driving partner in the organisation and delivery of the International Congress for School Effectiveness and Improvement (ICSEI), which came to Scotland in 2016. With its theme of 'Connecting teachers, schools and systems: creating the conditions

for effective learning', the conference offered a unique forum for practitioners, academics, policy makers and researchers to come together to share worldwide experiences of education. ICSEI 2016 featured, among others, Dr Rowena Arshad from the University of Edinburgh and Prof Graham Donaldson from the University of Glasgow, who both delivered keynotes, and Pasi Sahlberg - who led the Teachers Day.

Delivered in partnership with University of Glasgow, Education Scotland, Glasgow City Council and TESS, ICSEI 2016 was a flagship event of international renown. It was a prime example of how GTC Scotland works collaboratively with partners across the education profession to develop and produce innovative materials which not only enhance the standing of teaching in this country, but help to influence the profession internationally.

3.3 Case study 3: Teaching Scotland Education Hustings

In the run up to the 2016 Holyrood Election, GTC Scotland's magazine - Teaching Scotland – formed an innovative and ground-breaking partnership with SEJ (The EIS magazine) to host an Education Hustings.

Senior spokespeople from each of the main political parties standing for election were represented. They were given the opportunity to make brief statements on their education policy and pledges, before being asked questions by the audience of more than 100 teachers and educationalists. The event, facilitated by Ken Muir from GTC Scotland and Larry Flannagan from EIS, was also broadcast live over the internet. Those who could not attend in person were given the opportunity to pose questions via social media.

The content that emerged was shared by both partners in subsequent months, with attendees also being invited to ask the new cabinet secretary questions after the election.

Such a partnership, and such an event, illustrates the central role that Teaching Scotland, and GTC Scotland, now plays facilitating the conversations that inform the development of education in Scotland.

3.4 Case study 4: GTC Scotland's 50th anniversary

In 2015, GTC Scotland published a book recounting its first fifty years. The comprehensive publication, named Milestones and Minefields, was researched and penned by Ian Matheson – a former GTC Scotland employee.

Following the tenure of each Council, Milestones and Minefields provided a fascinating insight into how GTC Scotland evolved from its inception to become the world's first independent regulator of the teaching profession. It shares minutes, conversations and encounters between GTC Scotland and a wide variety of stakeholders, showing how events unfolded to create the organisation we are today.

4 Statistics

4.1 Professional learning engagement

The Senior Education Team attended 586 meetings, conferences and events during the year, speaking about Professional Learning, Professional Update and professional Standards. In addition, the Chief Executive spoke at 34 separate professional learning events addressing a total audience in excess of 3,300.

4.2 Registration

Accreditation and review – programmes/modules accredited during the year

	2016	2015
ITE programmes	7	8
Professional Recognition	19	16
Headship	1	0

Registration of teachers

	2016	2015
Registered teachers	70,795	71,345
Newly qualified registered teachers	2,462	2,364
Qualified outside Scotland	531	506
Total registered	73,788	74,215

Probationer teachers awarded Full Registration

	2016	2015
Teacher Induction Scheme	2,422	2,392
Flexible Route	757	354
Professional Registration	129	49
Total	3,308	2,795

4.3 Human Resources

HUMAN RESOURCES (Staff Monitoring Survey)											
Year	Staff in Post	Male %	Female %	Ethnic Origin %			Age				
				White	Asian	Black	Other	Under 25	25-34	35-44	45-54
2015	64	20	80	100	0	0	0	2	22	25	29
2016	68	19	81	100	0	0	0	4.5	16	25	32.5
											55-64
											Over 65
											With a Disability %
											8
											7

4.4 GTC Scotland Service Complaints

4.4.1 2015-2016

	Concluded at Stage 1 (Informal investigation stage)	Concluded at Stage 2 (Formal investigation stage)	Referred to Independent Reviewer
Not upheld	2	2	1
Partially Upheld	3	-	-
Upheld	3	-	1
Total Number of Complaints received: 12	Total: 8	Total: 2	Total: 2

4.4.2 2014-2015

	Concluded at Stage 1 (Informal investigation stage)	Concluded at Stage 2 (Formal investigation stage)	Referred to Independent Reviewer
Not upheld	3	2	1
Partially Upheld	1	-	-
Upheld	4	1	-
Total Number of Complaints received: 12	Total: 8	Total: 3	Total: 1

4.5 Fitness to Teach Statistics

Cases Received	2015/16	2014/15
Total number of cases received [Note: The reduction in cases received from 2014/15 to 2015/16 is due to a 64% drop in the number of conviction cases received as the process of retrospective checking of criminal record information bringing teachers into the PVG Scheme comes to an end.]	333	648
Outcomes		
Delegated Authority		
Total number of conviction cases determined not to be a relevant complaint in accordance with delegated authority criteria approved by the GTCS Council	154	470
Initial Consideration Stage		
Total number of cases screened out at the initial consideration stage [Note: A case can be screened out at this stage on the grounds that it is frivolous, malicious, or vexatious; it does not contain enough detail to render it capable of investigation; or it is not a relevant complaint.]	49	33
Investigating Panel Stage		
Total number of cases considered	93	70
Disposals:		
Referred to Fitness to Teach Panel	33	34
No case to answer	47	25
Reprimand with consent order accepted	13	5
Further investigation instructed	0	6
Removal with Consent		
Total	9	4
Fitness to Teach Panel Full Hearings		
Removal	1 conviction 2 conduct	4 conviction 10 conduct 1 competence
	3	15
Reprimand	1 conduct	4 conduct
	1	4
Reprimand and Conditional Registration Order ¹	1 conviction	2 conviction
	1	2
Conditional Registration Order	0	1 conduct
No Order	0	0
Registration application granted	0	1 conviction (with conditional registration order)
Registration application refused		0
Subsequent registration application ² granted	0	1

¹ New disposal introduced 2 April 2012.

² Before 2 April 2012, this was known as a "restoration application". This was changed because it does not cover second or subsequent registration applications where the person has never been placed on the Register. Also referred to as "SRA".

Subsequent registration application refused	0	1
Facts not found proved	<i>1 conduct</i>	<i>0</i>
	1	0
Fitness to Teach impairment not found	<i>1 conviction</i> <i>3 conduct</i>	<i>1 conviction</i> <i>1 conduct</i>
	4	2
Total	10	27

5 Financial Review

5.1 Overview

The Financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities issued in 2015.

Review of Activities	2016 £'000	2015 £'000
Operating (Deficit)/Surplus excluding realised pension fund adjustments	180	112
Realised pension fund adjustment	(302)	(179)
Unrealised potential pension liabilities (increased)/reduced by	392	(956)
Investment in Fixed Assets	117	232
(Decrease)/Increase in Unrestricted Reserves	252	185
Total Reserves	3,947	2,781

Capital expenditure

The major item of capital expenditure during the year consisted of £117,000 for website and system developments including the Student Placement System.

Pensions

There has been a significant decrease in the value of GTC Scotland's share of the pension deficit contained within Strathclyde Pension Fund (SPF) during the financial year. The deficit at 31 March 2016 has been calculated on the basis recommended by FRS102.

The formal valuation of SPF is carried out triennially on a different accounting basis to this year's rolling valuation basis. This is carried out by the same firm of actuaries. This results in considerable variation in deficit levels within the accounts between accounting years which is not necessarily reflective of changes in SPF's performance and makes comparison between years of financial performance difficult to carry out.

Recent SPF deficits attributable to GTC Scotland are as follows:

31 March 2011	£413,000 (formal valuation basis)
31 March 2012	£1,045,000 (rolling valuation basis)
31 March 2013	£1,436,000 (rolling valuation basis)
31 March 2014	£1,765,000 (rolling valuation basis)
31 March 2014	£416,000 (formal valuation basis)
31 March 2015	£2,793,000 (rolling valuation basis)
31 March 2016	£1,901,000 (rolling valuation basis)

In accordance with Financial Reporting Standard 102, 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 14 and 20 to the accounts. FRS102 requires pension provision fluctuations, which will not crystallise in the short or medium-term, to be reported through the Income and Expenditure Account.

Policies

Reserves

GTC Scotland's policy, which was approved in November 2015 and is reviewed annually, is to ensure that the net assets are sufficient to meet contractual obligations to staff and pension commitments to current and former staff, and to assist with the regulation of registration fees. The Council consider that the minimum level of reserves should be sufficient to meet three months running costs held in liquid funds excluding the value of the office property, Clerwood House as at 31 March 2016. Current financial projections allow for the existing level of liquid funds to reduce in the medium-term. The policy has been met.

Investments

As noted in last year's report, GTC Scotland took the decision to divest itself of its equity investments over the year 2015/16. Until the dates of disposal it operated a balanced risk and ethically based investment policy. GTC Scotland does not anticipate investment gains when preparing budgets. The gain on investments experienced during the year ended 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. A revised policy to manage organisational risk was introduced during 2014/15. The main risks to which GTCS is exposed are described in section 2.4.1 Risk management.

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 best practice. GTCS has an approach to procurement which is designed to achieve good value and is subject to regular review.

6 Structure, Governance and Management

GTCS is a charity registered with Office of the Scottish Charity Regulator (OSCR) and, in its current form, was established by the Public Services Reform (General Teaching Council for Scotland) Order which came into force on 17 March 2011. The Order gives details of the principal aims of the Council which may be summarised as maintenance and improvement of teaching standards and to contribute to the quality of teaching and learning.

GTCS is governed by a Council of 37 members composed of elected, nominated and appointed lay members. Council membership (based on a four year term of office) follows a rolling programme, with election, nomination and appointments processes taking place every two years and half of the members stepping down at the end of each two year period.

19 Council members are elected in accordance with the GTCS Election Scheme. All GTCS registrants are entitled to stand for election and to vote for registrants standing for election (in the election category applicable to them).

11 Council members are nominated by educational stakeholder bodies as stated in the Public Services Reform (GTCS) Order 2011. The nominating bodies and the number of members they are entitled to nominate are set out in detail at section 7.1 (page 19) of the report.

The recruitment and appointment of 7 lay Council members is overseen by the Appointments Committee (made up of appointed registered teacher and lay members who are independent from the GTCS Council) in accordance with the GTCS Appointments Scheme.

Full details of the Council membership are set out at section 7.1 (page 19) of the report.

7 Reference and Administrative Details

The address of the principal office of the charity is as follows;

General Teaching Council for Scotland
Clerwood House
96 Clermiston Road
Edinburgh
EH12 6UT

Telephone number is 0131 314 6000

7.1 Membership of the Council – 2 April 2015 to 1 April 2016

ELECTED MEMBERS

(a) Primary/Nursery Teachers (including Headteachers) [9]

*Patrick J Boyle	(HT)+	(From June 2015)	(2016)
*Marie Connor	(HT)+	(From February 2015++)	(2018)
*James F Hammond	(HT)+	(To June 2015)	(2016)
*Sue Burns			(2016)
*Craig Carson		(From September 2015)	(2016)
*Linda A Fisher-Dougan			(2016)
*Paula J McEwan			(2018)
*Andrew R McNeil			(2018)
*Edith Swinley			(2016)
*Martin Whitfield		(From August 2015)	(2016)

(b) Secondary Teachers (including Headteachers) [8]

*Ian Anderson	(HT)+	(2016)
*Derek A Thompson	(HT)+	(2018)
*Patrick J Boyle		(2018)
*Karen J Farrell		(2016)
*Jason Fitzgerald		(2016)
*Jennifer Gourley		(2018)
*William Hamilton		(2018)
*Helen Sedgwick		(2018)
*Andrew L Smith		(2016)

(c) Further Education [1]

*Alison B M Chambers	(2016)
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(d) Universities providing courses of Initial Teacher Education [1]

*Paula Cowan	(2016)
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NOMINATED MEMBERS

(a) Convention of Scottish Local Authorities (following consultation with the Association of Directors of Education in Scotland) [3]

Eric M Gotts	(To January 2016)	(2018)
Morag Gunion		(2016)
Terry Loughran	(From November 2015)	[to 2016] (2018)
*Stephanie Primrose	(To September 2015)	[to 2016] (2018)

(b) Universities Scotland (following consultation with universities providing courses of Initial Teacher Education) [3]

*Sue Ellis	(2016)
*Donald Gillies	(2018)
*Neil Simco	(2018)

(c) Further Education Colleges [1]

Lindsay Seywright	(2018)
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(d) Scottish Council of Independent Schools [1]

*Nicola Dudley	(To November 2015)	(2016)
*Margaret Lannon	(From December 2015)	(2016)

(e) Church of Scotland [1]

Dorothy Ferguson	(2016)
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(f) Roman Catholic Church [1]

Neil Roarty	(2018)
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(g) Parent Councils and Combined Parent Councils [1]

Anthony Rafferty	(To August 2015)	(2018)
Barrie Sheppard	(From September 2015)	(2018)

III APPOINTED LAY MEMBERS [7]

David Bleiman	(2016)
Ephraim Borowski	(2016)
Audrey Cowie	(2016)
Ian Jackson	(2016)
David McCue	(2018)
David Mitchell	(2018)
Simon Thompson	(2018)

OBSERVERS

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

Alan Armstrong, Strategic Director for Lifelong Learning, Education
Scotland

+Reserved Headteacher Places

*Registered Teacher

++ Move from Teacher Place to Reserved Headteacher Place
(2016) or (2018) indicates the year in which the term of office
for a particular Council seat ends on 1 April

[] Numbers in square brackets refer to the number of
members available to each category

[[to 2016]] indicates the year in which a Council seat is filled by
a member until 1 April where this is shorter than the term of
office applicable to the seat in question

8 GTC Scotland Responsibilities

The Council members are responsible for preparing the Council report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Council members are required to:

- ❖ select suitable accounting policies and apply them consistently;
- ❖ observe the methods and principles in the Charities SORP;
- ❖ make judgements and estimates that are reasonable and prudent;
- ❖ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ❖ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Public Services Reform (General Teaching Council for Scotland) Order 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable Status

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

Conclusion

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

By order of the Council:



Kenneth Muir
Chief Executive / Registrar



Derek Thompson
Convener of Council

28 September 2016

9 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 2016 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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) *including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland*.

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 Public Services Reform (GTC Scotland) Order 2011. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Auditor

As explained more fully in the Statement of Council responsibilities set out on page 26, the Council members are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 Public Services Reform (GTC Scotland) Order 2011.

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

Scott-Moncrieff
Registered Auditor
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 2016

10 Financial Statements

10.1 Statement of Financial Activities

(Incorporating the Income and Expenditure Account)
For the Year Ended 31 March 2016

		Total Unrestricted Funds 2016	Total Unrestricted Funds 2015
	Notes	£'000	£'000
Income and endowments from:			
Charitable activities	4	4,380	4,367
Investments	5	24	18
Other		4	3
Total		4,408	4,388
Expenditure on:			
Charitable activities	6	4,530	4,535
Total		4,530	4,535
Net gains on investments	12	32	133
Net Expenditure		(90)	(14)
Other recognised gains/(losses):			
Net gain on revaluation of heritable property		62	-
Actuarial Gain/(Loss) on Defined Benefit Pension Scheme	21	1,194	(849)
Net movement in funds		1,166	(863)
Reconciliation of funds:			
Total funds brought forward	16	2,781	3,644
Total funds carried forward	16	3,947	2,781

All incoming resources and expenditures are derived from continuing activities.

The notes on pages 26 to 37 form part of these accounts

10.2 Balance Sheet

At 31 March 2016

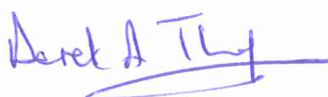
	Notes	2016 £'000	2015 £'000
Tangible Fixed Assets	9	<u>3,243</u>	<u>3,273</u>
Current Assets			
Debtors and prepayments	10	153	84
Investments	12	-	1,421
Cash at bank and in hand		<u>3,167</u>	<u>1,720</u>
		<u>3,320</u>	<u>3,225</u>
Liabilities			
Creditors: Amounts due within one year	13	<u>(279)</u>	<u>(474)</u>
Net Current Assets		<u>3,041</u>	<u>2,751</u>
Total Assets Less Current Liabilities		6,284	6,024
Provision for Liabilities and Charges			
Provision for Pension Liabilities	14	<u>(436)</u>	<u>(450)</u>
Net Assets Excluding Defined Benefit Pension Scheme Liability		<u>5,848</u>	<u>5,574</u>
Defined Benefit Pension Scheme Liability	20	<u>(1,901)</u>	<u>(2,793)</u>
Net Assets Including Defined Benefit Pension Scheme Liability		<u>3,947</u>	<u>2,781</u>
Represented by unrestricted funds			
Accumulated Unrestricted Reserve	16	4,460	4,208
Revaluation Reserve	16	<u>1,388</u>	<u>1,366</u>
Unrestricted Funds Excluding Pension Reserves		5,848	5,574
Defined Benefit Pension Scheme Reserve	16	<u>(1,901)</u>	<u>(2,793)</u>
Total Funds		<u>3,947</u>	<u>2,781</u>

Approved and authorised for issue on 28 September 2016 by the Finance and General Purposes Committee of the Council and signed on its behalf by the Convener:



Ian Jackson

Approved and authorised for issue on 28 September 2016 by The General Teaching Council for Scotland and signed on its behalf by the Convener of Council:



Derek Thompson

The notes on pages 26 to 37 form part of these accounts.

10.3 Statement of Cash Flows

For the Year Ended 31 March 2015

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities:			
Net cash used by operating activities	17	87	326
Cash flow from investing activities			
Interest		24	18
Disposal of investments		1,453	-
Purchase of property, plant and equipment		(117)	(214)
Net cash used in financing activities		<u>1,360</u>	<u>(214)</u>
Change in cash and cash equivalents in the year		1,447	112
Cash and cash equivalents at the beginning of the year		<u>1,720</u>	<u>1,608</u>
Cash and cash equivalents at the end of the year		<u>3,167</u>	<u>1,720</u>

The notes on pages 26 to 37 form part of these accounts

10.4 Notes to the Financial Statements

For the Year Ended 31 March 2016

(1) Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended).

GTC Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgements in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006, and referred to as "previous UK GAAP". The financial effects of the transition to FRS 102 are set out in note 2 below.

Going Concern

GTC Scotland has assessed a period of 12 months from the date of approval of the financial statements and considered that no material uncertainties exist that cast doubt on the ability of the charity to continue as a going concern. Thus GTC Scotland adopts the going concern basis of accounting in preparing the financial statements. The charity has substantial cash reserves and a forward planning cycle of three years which is sufficiently robust to provide early indication of any potential unmanageable losses. Through the teacher registration fee GTCS has a stable source of future income. In addition the Corporate Management Team reviews the GTCS risk register on a regular basis.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when GTC Scotland is legally entitled to the income, receipt is probable 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 accounting period in which they are earned.

Resources Expended

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

Tangible Fixed Assets

Capitalisation and Replacement

Clerwood House was re-valued in March 2016 and is included in the accounts at the valuation amount. All other assets are included at their purchase price together with any incidental costs of acquisition, less depreciation. The asset capitalisation threshold is £1,000.

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 on a straight line basis at 33% per annum and office furniture on a straight line basis at 20% per annum.

Debtors

Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

Investments

All investments were disposed of during the year. Realised gains and disposal are credited to the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks which are readily convertible, being those with maturities of three months or fewer from inception.

Cash and cash equivalents are measured at amortised cost.

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.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

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.

Financial Assets and Liabilities

Financial instruments are recognised in the balance sheet when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Pension Costs

Employees of GTC Scotland 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 statement of financial activities so as to spread the expected cost of providing pensions over the employees' period of service with the GTC Scotland.

Two 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 statement of financial activities.

(2) Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the charity's first financial statements that comply with the FRS 102. The charity's date of transition to FRS 102 is 1 April 2014. The charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The transition to FRS 102 has resulted in a number of changes in the charity's accounting policies compared to those used when applying previous UK GAAP.

The following explanatory notes to the financial statements describe the differences between the funds and income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (ie comparative information), as well

as the funds presented in the opening statement of balance sheet (ie at 1 April 2014). It also describes the changes in accounting policies made on first-time adoption of FRS 102.

In the table below, funds determined in accordance with the FRS 102 is reconciled to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102) and 31 March 2016.

	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Tangible Fixed Assets	3,251		3,251	3,273		3,273
Current Assets						
Debtors and Prepayments	107	-	107	84	-	84
Investments	1,288	-	1,288	1,421	-	1,421
Cash at bank and in hand	1,608	-	1,608	1,720	-	1,720
	3,003	-	3,003	3,225	-	3,225
Liabilities						
Creditors: Amounts Due Within One Year	(384)	-	(384)	(474)	-	(474)
Net Current Assets	2,619	-	2,619	2,751	-	2,751
Total Assets less Current Liabilities	5,870	-	5,870	6,024	-	6,024
Provision for Liabilities and Charges						
Provision for Pension Liabilities	(461)	-	(461)	(450)	-	(450)
Net Assets Excluding Defined Benefit Pension Scheme Liability	5,409	-	5,409	5,574	-	5,574
Defined Benefit Pension Scheme Liability	(1,765)	-	(1,765)	(2,793)	-	(2,793)
Net Assets Including Defined Benefit Pension Scheme Liability	3,644	-	3,644	2,871	-	2,871
Represented by unrestricted funds						
Accumulated Unrestricted Reserve	4,023	-	4,023	4,208	-	4,208
Revaluation Reserve	1,386	-	1,386	1,366	-	1,366
Unrestricted Funds Excluding Pension Reserves	5,409	-	5,409	5,574	-	5,574
Defined Benefit Pension Scheme Reserve	(1,765)	-	(1,765)	(2,793)	-	(2,793)
Total Funds	3,644	-	3,644	2,781	-	2,781

Reconciliation of net movement in funds for the year ended 31 March 2015

		Previous UK GAAP £'000	Previous UK GAAP restated £'000	Effect of transition £'000	FRS 102 £'000
Notes					
Income and endowments from:					
Charitable activities		4,367	4,367		4,367
Investments		18	18		18
Other		3	3		3
Total		4,388	4,388		4,388
Expenditure on:					
Charitable activities	a	4,428	4,428	107	4,535
Total		4,428	4,428	107	4,535
Net gains on investments		133	133	-	133
Net income/(expenditure)		93	93	(107)	(14)
Other recognised gains/(losses):					
Actuarial Losses on Defined Benefit Pension Scheme	a	(956)	(956)	107	(849)
Net movement in funds		(863)	(863)	-	(863)
Reconciliation of funds:					
Total funds brought forward		3,644	3,644	-	3,644
Total funds carried forward		2,781	2,781	-	2,781

(a) Recognition of the adjustments to the defined benefit pension scheme have been restated under FRS 102.

(3) Critical Judgements and Estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

(4) Incoming Resources from Charitable Activities

	2016 £'000	2015 £'000
Registration Activities	4,205	4,240
Agency income - PoVG Fees	101	105
Advertising Revenue	74	22
	4,380	4,367

(5) Interest and Investment Income	2016	2015
	£'000	£'000
	24	18
Short term deposit interest	24	18

(6) Expenditure on Charitable Activities – Registration Activities

	2016	2015
	£'000	£'000
Salaries and Related Staff Costs	2,729	2,813
Realised Pension Movement	302	72
Administration	504	428
Bureaux and Professional Services	382	472
Disclosure and Other Fees	101	115
Property and Security	181	201
Depreciation	210	210
Governance – General Expenses		
Election costs	7	-
Accommodation and Catering	20	17
Travel and Subsistence	40	50
Council, Committee and Panel Member Compensation	40	36
Auditor's Remuneration	12	14
FRS102 transition costs	-	107
	4,530	4,535

A compensation scheme for Council, Committee and Panel members is in operation. In addition, a GTC Scotland / Convention of Scottish Local Authorities (COSLA) agreement is in place to ensure the availability of registered teacher Council and Panel members employed in a local authority to participate in Council, Committee or Panel meetings or training events.

Travel and subsistence represents the cost of reimbursing Council, Committee and Panel Members for expenses incurred by them in attending meetings. During the year 2016: 33 members (2015: 34) made travel and subsistence claims.

(7) Employee Information

	2016 £'000	2015 £'000
Staff Costs		
Wages and Salaries	2,076	2,205
Social Security Costs	168	163
Pension Costs	382	345
	<u>2,626</u>	<u>2,713</u>

The average number of persons (excluding Council members) employed by GTC Scotland during the year was 64 (2015: 69) of which 16 (2015: 20) were part-time. During the year there were on average 59 (2015: 58) full time equivalent employees. Payments in respect of temporary staff amounted to £160,963 (2015: £128,633). Two members of staff were on maternity leave at the year end.

Employee Costs – Salary Bands at 31 March 2015

£'000	£'000	2016 Number	2015 Number
60	69	0	2
70	79	4	2
90	99	1	1
		<u>Total</u>	<u>5</u>

Higher paid staff accruing retirement benefits under a defined benefit scheme

£'000	£'000	2016 Number	2015 Number
60	69	0	2
70	79	4	2
90	99	1	1
		<u>Total</u>	<u>5</u>

Chief Executive's Remuneration	Salary		Employer's Pension Contribution	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Kenneth Muir	95	93	18	17
Other key management				

The Chief Executive's salary progression is subject to annual performance review. During 2015/16, the Chief Executive chose to restrict his increase in salary to the percentage uplift in scales awarded to all staff.

(8) Taxation

GTC Scotland is a registered charity (SC006187) and as such is entitled to certain tax exemptions on income from investments. GTC Scotland 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 2015	3,163	861	581	4,605
Additions	-	37	80	117
Disposals	-	(55)	(21)	(76)
Revaluation	(184)	-	-	(184)
Transfers	221	(221)	-	-
At 31 March 2016	3,200	622	640	4,462
Depreciation				
At 1 April 2015	184	785	363	1,332
Charge for the year	63	51	96	210
Disposals	-	(55)	(21)	(76)
Revaluation	(247)	-	-	(247)
Transfers	200	(200)	-	-
At 31 March 2016	200	581	438	1,219
Net Book Value				
At 31 March 2016	3,000	41	202	3,243
Net Book Value at 31 March 2015	2,979	76	218	3,273

(10) Debtors and Prepayments

	2016 £'000	2015 £'000
Debtors	65	35
Prepayments and Accrued Income	88	49
	153	84

(11) Cash and Cash Equivalents

	2016 £'000	2015 £'000
Short Term Deposits	3,047	1,532
Cash at bank and in hand	120	188
	3,167	1,720

(12) Investments

	2016 £'000	2015 £'000
Market value at 1 April 2015	1,421	1,288
Net gain on disposal	32	133
Disposal proceeds	(1453)	-
Market Value at 31 March 2016	-	1,421

Investments are held in listed funds

(13) Creditors

	2016 £'000	2015 £'000
Trade Creditors	64	159
Accruals	199	298
George D Gray Award	16	17
	<u>279</u>	<u>474</u>

(14) Provision for Pension Liabilities

	2016 £'000	2015 £'000
Provision at 1 April 2015	450	461
Amounts Used During Year	(14)	(11)
Decrease 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).	-	-
Provision at 31 March 2016	<u>436</u>	<u>450</u>

The provision relates to future obligations to former members of staff. The provision is based on an actuarial calculation as at 31 March 2014 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. The next actuarial calculation will be carried out as at 31 March 2017.

(15) Financial Assets and Liabilities

	2016 £'000	2015 £'000
Financial assets at amortised cost	3,232	3,176
Financial liabilities at amortised cost	(219)	(474)
	<u>2,953</u>	<u>2,702</u>

Financial assets and liabilities include all Current Assets and Liabilities with the exception of prepayments and accrued income.

(16) Reserves

	At 1 April 2015 £'000	Income £'000	Expenditure £'000	Recognised Gains/ (losses) £'000	At 31 March 2016 £'000
Accumulated Unrestricted Reserve	4,208	4,408	(4,530)	374	4,460
Revaluation Reserve	1,366			22	1,388
Defined Benefit Pension Reserve	(2,793)			892	(1,901)
Total	<u>2,781</u>	<u>4,408</u>	<u>(4,530)</u>	<u>1,288</u>	<u>3,947</u>

(17) Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	2016	2015
	£'000	£'000
Net expenditure for the reporting period	(91)	(14)
Adjustments for:		
Depreciation charges	210	210
Gains on investments	(32)	(133)
Interest	(24)	(18)
(Increase) / Decrease in debtors	(69)	23
(Decrease) / Increase in creditors	(195)	90
Decrease in provisions	(14)	(11)
Defined Benefit Pension Scheme	302	179
Net Cash Inflow /(Outflow) from Operations	87	326

(18) Indemnity Insurance

The Council paid £11,066 (2015: £11,066) for professional indemnity insurance for the year ended 31 March 2016.

(19) Future Commitments

The Council had future capital commitments amounting to £97,000 (2015: £119,000). For the year 2015-16 the Council recognises there may be possible asset purchases amounting to £250,000 (2015: £236,000).

(20) Pensions

The Council participates in two pension schemes. Two employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year. The employee contributions range between 7.2% and 11.9% (2015: 8 - 8.4%) for employees and 17.2% (2015: 17.2%) for employers. The STSS is a defined benefits scheme administered by the Scottish Government 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 Statement of Financial Activity so as to spread the expected cost of providing pensions over the employees' period of service with the Council. Employees contribute between 5.5% and 12% of their salary. Employers' contributions were 19.3% for 2016 (2015: 19.3%). 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. Employer contributions for the year to 31 March 2017 will be approx. £339,000.

A formal valuation of the Strathclyde Pension Fund (SPF) was carried out as at 31 March 2014 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 31 March 2014, the Scheme's actuaries have rolled forward the actuarial value of the liabilities allowing for changes in financial assumptions as prescribed under FRS 102 The Financial Reporting Standard applicable in the UK.

The principal assumptions used as at 31 March were as follows:

	2016	2015
	% per annum	% per annum
Inflation/ Pension Increase Rate	2.2%	2.4%
Salary Increases	4.2%	4.3%
Expected return on assets	3.7%	3.2%
Discount Rate	3.5%	3.2%

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2014. 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:

		2016	2015
		Years	Years
Current Pensioners	Males	22.1	22.1
	Females	23.6	23.6
Future Pensioners	Males	24.8	24.8
	Females	26.2	26.2

The assets in the scheme and expected rates of return of the Strathclyde Pension Fund investments as at 31 March were as follows:

	2016	2015
	Split of Assets	
Equities	72%	75%
Bonds	16%	13%
Property	12%	11%
Cash	0%	1%

Balance sheet analysis

	2016	2015
	£'000	£'000
Fair Value of Employer Assets (A)	8,129	7,629
Present Value of Funded Liabilities (B)	(9,955)	(10,340)
Present Value of Unfunded Obligations (B)	(75)	(82)
Net Liability in the Balance Sheet	(1,901)	(2,793)

A: Reconciliation of Fair Value of Employer Assets

	2016	2015
	£'000	£'000
Opening Fair Value of Scheme Assets	7,629	6,164
Expected Return on Scheme Assets	249	271
Actuarial Gains	(46)	908
Contributions by Employer	340	309
Contributions by Participants	122	111
Estimated Benefits Paid (Net of Transfer)	(165)	(134)
Closing Fair Value of Scheme Assets	8,129	7,629

B: Reconciliation of defined benefit obligation

	2016	2015
	£'000	£'000
Opening Defined Benefit Liability	10,422	7,929
Service Cost	554	415
Interest Cost	342	349
Actuarial Losses/(Gains)	(1,240)	1,757
Estimated Benefits Paid (Net of Transfer)	(165)	(134)
Unfunded Benefits Paid	(5)	(5)
Contributions by Participants	122	111
Closing Defined Benefit Liability	10,030	10,422

Statement of financial activities analysis

	2016	2015
	£'000	£'000
Opening Deficit	(2,793)	(1,765)
Current Service Cost	(554)	(415)
Employers Contributions	340	309
Past Service (Costs)/Gains	-	-
Contributors' Unfunded Benefits	5	5
Interest Cost	(342)	(349)
Expected Return on Employer Assets	249	271
Actuarial Gains / (Losses)	1,194	(849)
Closing Deficit	(1,901)	(2,793)

	2016	2015
	£'000	£'000
Actual Return on Scheme Assets	908	824

(21) Related parties

There have been no related party transactions during the year that require disclosure other than the transactions with Council Members disclosed in note 6.

11 Public Services Reform (Scotland) Act 2010

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

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

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

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

GTC Scotland
Comhairle Choitcheann Teagaisg na h-Alba

The General Teaching Council for 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.

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www.gtcs.org.uk/professional-update

Fitness to Teach:

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Student, Probationer and Early Phase site:

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