



General Teaching Council for Scotland

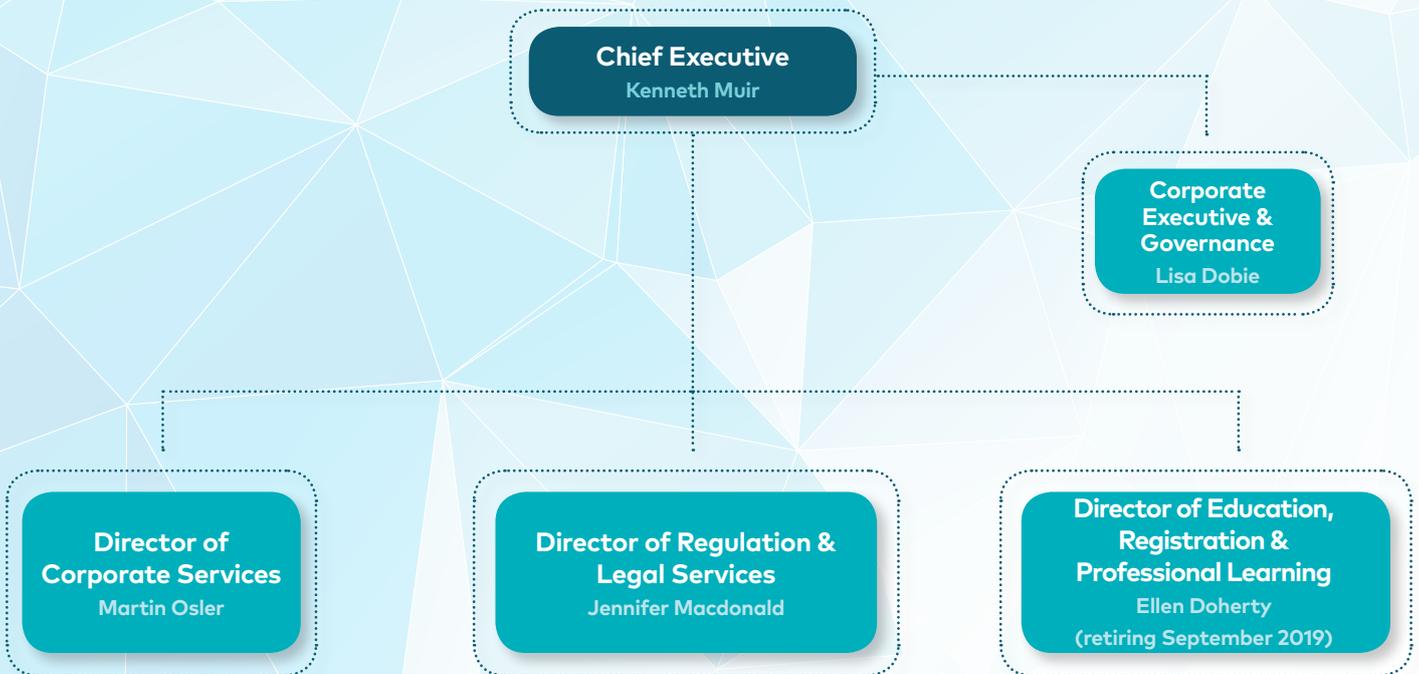
Annual Report and Financial Statements

for the year ended 31 March 2019

Registered Charity: SC006187



The General Teaching Council for Scotland is the world’s first independent, self-regulating body for teaching. Our role is to maintain and enhance teaching standards and promote the teaching profession in Scotland, in the public interest. In this report we discuss the work we have carried out over the year on behalf of registrants, young people and communities throughout Scotland.



Corporate Management Team and Departments

The Corporate Management Team (CMT) is responsible for the operations and management of GTC Scotland. The Chief Executive oversees the CMT and the Executive Office

The Director of Regulation and Legal Services leads on regulatory and legal policy development and has overall responsibility for the Regulation and Legal Services teams

- The Director of Corporate Services has overall responsibility for:
- Communications and Digital Services
 - Human Resources
 - Business Development
 - Finance and Procurement

- The Director of Education, Registration and Professional Learning has overall responsibility for:
- Education and Professional Learning
 - Registration
 - Student Support

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Convener's Report

Thank you for taking some time out to read GTC Scotland's Annual Report 2018-19. This report offers an insight into the work of the world's first self-regulating professional body for teaching, established in 1965.

I became Council Convener in April 2018. I chair Council meetings, provide leadership of Council and its 37 members, and carry out a range of ceremonial, ambassadorial and other delegated duties. When I became Convener, I fully expected the post to be challenging but I did not quite reckon with just how extensive and intensive the work of GTC Scotland is.

As a teacher going through my career I perhaps did not have as much awareness of the scope of the work of GTC Scotland as I should have. With the arrival of the new Professional Standards I took an increasing interest in the organisation and decided to stand for election to the 2016-2018 Council. This year has seen GTC Scotland emerge from the complex and resource-heavy work involved in addressing the Scottish Government's Review of Governance which asked a number of questions of the organisation. The fact that

GTC Scotland has gone on to develop further over the past 12 months speaks volumes about the quality of its staff and the services they deliver for registrants; and of the respect that exists for its work as the teaching regulator.

In the last 12 months I have had the privilege to see the breadth and quality of the work undertaken by GTC Scotland on behalf of its 75,000 registrants, for the benefit of children and communities across Scotland, and it only strengthens my belief that its role in Scottish education is paramount and essential.

GTC Scotland has rightly received national and international acclaim for its work in the areas of registration, regulation and professional learning with innovative projects such as the learning portal, MyPL and the Excellence in Professional Learning Awards leading from the front. We cannot, however, rest on our laurels and the 2018-2020 Council is providing governance and oversight to a very ambitious programme of activities GTC Scotland is undertaking, some of

which are mentioned in this report. Myself and my colleague trustees on Council are all fully committed to ensuring that GTC Scotland continues to build on its reputation and retains high levels of confidence from the profession and wider general public we serve.

In this report you will enjoy details about the strides being taken by the organisation to continue to improve and enhance its services for registrants and to support and enhance Scottish education. On behalf of GTC Scotland Council members, I thank you again for your interest in and support for our work.

David Innes



Chief Executive's Statement

I am pleased to present GTC Scotland's Annual Report 2018–19, which reports against the Strategic Objectives set out in our 2017–20 Strategic Plan.

A key focus of our work over the past year has been improving the reach, quality and efficiency of our services for registrants and the wider public.

We appointed two new Development Officers who have been engaging with local authorities, registrants and parent bodies across Scotland in order to increase understanding and awareness about the role of GTC Scotland. They have been information gathering and identifying where there are gaps in knowledge so that we can address the needs of our registrants. I mention this first as I believe the appointment of Development Officers indicates our desire to continue listening to the views of registrants and modernising GTC Scotland to ensure we are fit for purpose for the years to come.

With this in mind we are currently developing our Strategic Plan 2020–23. Our focus will very much be on continuing to respond to registrant needs and ensuring the services we offer are in the interests not only of registrants but, importantly, the wider public, children and young people. It is not often understood that GTC Scotland is a charitable body, independent of Scottish Government. We exist to act in the public interest by ensuring the teaching profession is as effective as it possibly can be.

This past year we have invested in GTC Scotland's headquarters at Clerwood House by carrying out essential maintenance to the main building, upgrading the working environment, and making significant improvements to our IT infrastructure.

Many registrants visit Clerwood House each year for a range of events, including to participate in the business of Council and Committee meetings; professional learning sessions; Awards ceremonies; Fitness-to-Teach (FtT) hearings; College registration and other working groups; and the hundreds of day-to-day meetings that take place to discuss and further the role of GTC Scotland. Clerwood House is owned by the registrants who pay their £65 registration fee each year. It is important our infrastructure is of good quality and offers a welcoming environment that is conducive to free and creative thought. I would like to extend an invitation to any registrant or group of registrants to visit GTC Scotland and find out more about the work we do or, perhaps, to use our facilities for an event.

We are conscious that IT problems can be the bane of registrants in schools and colleges across the land. GTC Scotland has not always offered seamless access to its services which has sometimes exacerbated this problem. We have invested considerable resources addressing this in order to provide stable; intuitive and useful online services for registrants. This work will continue over the years ahead.

We continue to work with partners across Scottish education to promote teaching as a career choice and to explore new and innovative routes into the teaching profession. Over 2018–19 we carried out a review of the Memorandum on Entry Requirements for Initial Teacher Education programmes in Scotland. Our information gathering exercise which informed this review involved a working group, a literature review, a comparative study of the entry requirements of other teaching councils

and a national consultation. It was found that Scotland has high and rigorous entry requirements and that there is a desire to maintain this. While there was no appetite for lowering entry requirements or for entry requirements to be significantly raised, it was important that GTC Scotland carried out this review to ensure that the Memorandum remains relevant and fit for purpose.

Over the reporting period, work has been ongoing on refreshing the Professional Standards and the Code of Professionalism and Conduct. Following the outcomes of the Education Governance Review in June 2018, a new timeline for this review was put in place and approved by Council. We are now looking towards running a consultation on the new Standards in autumn 2019 with a publication date of summer 2020. I would urge all registrants to participate in this consultation. The





We exist to act in the public interest by ensuring the teaching profession is as effective as it possibly can be."

refreshed Standards will be supported by a suite of short advice and guidance booklets for registrants on topics that will maintain and enhance registrant professionalism.

GTC Scotland has also been closely monitoring the potential impact of Brexit on our registration processes and putting measures in place to ensure we are fully prepared for whatever happens next. The exit of the UK from the European Union would see the loss of access to a shared database (the Internal Market Information [IMI] system Database) where we can access information about those applying for registration to teach in Scotland. However, we have strong processes in place to register those individuals who apply for registration from outside the EU, and these rest-of-world processes can be put in place for EU applicants should we lose access to the IMI Database.

I make this point as GTC Scotland is not only impacted by the day-to-day operations of education in Scotland. There are many wider European and international issues that can affect our work. This is evidenced by the considerable number of international visitors we receive at Clerwood House. This past year we have had visits from educationalists from Norway, Sweden, the Netherlands, Wales, and Australia to name only a few countries. Without exception, the primary focus of these visitors is to take regulation best practice from GTC Scotland and to apply it to their education systems. It is not an exaggeration to say that Scottish education, and GTC Scotland as a key part of that, is still hugely well respected and followed across the world.

As we open the page on our 2019–20 reporting year, we look back on our successes of 2018–19. For example,

Professional Update reached its fifth year of operation, meaning every registrant has now experienced a professional learning reporting period. Our four-year evaluation of Professional Update showed clearly the significant impact it has made to the working lives of teachers and lecturers. We are proud of these successes and they will drive us to work even harder in the years ahead.

In this report you will find many more examples of positive outcomes across 2018–19. I would like to thank the staff of GTC Scotland for their commitment and hard work and I would also like to thank our Council members for their unwavering support and guidance. On behalf of everyone at GTC Scotland we would like to thank our registrants who have provided their support and useful feedback to the services we provide.

Kenneth Muir

Objectives and Activities

About GTC Scotland



Our Vision:

Assuring and enhancing educational professionalism; inspiring world-class learning and teaching

GTC Scotland is the world's oldest, self-regulating professional body for teaching and was set up in 1965. The organisation in its current form was established by the Public Services Reform (General Teaching Council for Scotland) Order 2011 and is a charity registered with the Office of the Scottish Charity Regulator (OSCR). (SC006187).

We have statutory responsibilities for contributing towards:



improving the quality of teaching and learning



maintaining and improving teachers' professional standards

Our Key Objectives, held within our Strategic Plan for 2017-2020 are:



Set high standards and promote high quality professional learning, teaching and leadership to improve learner outcomes.



Be an effective regulator acting in the public interest, enhancing the reputation of the Scottish teaching profession.

We embed Our Values in all of our work:



Fairness



Integrity



Continue to improve our governance, organisational effectiveness and capability.



Trust and Respect



Professionalism



Sustainability



Achievements and Performance

As we enter the final reporting cycle of our Strategic Plan 2017–20, we can reflect on achieving a number of our objectives. These are set out below under the headings of each of three strategic objectives.

1. Setting high standards and promoting high-quality professional learning, teaching and leadership to improve learner outcomes

Review of the Professional Standards

We have been working with colleagues and partners across the education profession to refresh the suite of Professional Standards for teachers. A significant amount of feedback has been gathered, and the profession has sent a clear message that the

Professional Standards are an integral part of every teacher's identity.

The work of the Head Teacher Empowerment and Career Pathways groups established by Scottish Government have added to the thinking of the various groups supporting the refresh of the Standards. A first draft of the Standard for Full Registration has been prepared and will be released for consultation in September 2019. The refreshed suite of Standards will be launched in summer 2020.

When reviewing the Professional Standards and the Code of Professionalism and Conduct (COPAC), GTC Scotland recognised that it was important for the voices of all those involved in education to be heard, including children and young people. As a result, we commissioned Children in Scotland to carry out research with children and young people focusing specifically on their experiences of education. The aim was to have a better understanding of the views of children and young people so that these could be used to inform the refreshed Standards and COPAC. The result of this work was the joint Children in Scotland and GTC Scotland report entitled *'Review of the Professional Standards: The Experiences of Children and*

Young People' which was published in September 2018. The research provides the most up-to-date and detailed data on the qualities and values that children and young people believe makes a good teacher. The report includes a series of recommendations for GTC Scotland and teachers to implement the research findings.

Supporting professional learning

GTC Scotland is now in the final year of the five-year implementation of Professional Update for all teachers in Scotland. Over 55,000 teachers have now successfully engaged with the process.

In 2014, each local authority, school or organisation had its Professional Update process validated by GTC Scotland. As part of a revalidation process, GTC Scotland has undertaken a four-year evaluation of the teaching profession's engagement with Professional Update and what the experience has been like so far for all those who have been involved in supporting or engaging with the process.

As with the original validation process, GTC Scotland is taking a phased

>55,000

teachers have had their Professional Update signed off in the last four years

approach to its revalidation exercise. Working with local authorities, schools and organisations that were early adopters in the first year, GTC Scotland is progressing from there, with a proposed date for completion of the revalidation process of 2020.

The intention of Professional Update is to support professional learning for all those registered with GTC Scotland through effective and meaningful ongoing professional dialogue, and professional review and development. This in turn will impact the learning and lives of the children and young people in our schools.

As of November 2018, we began the national roll out of our new professional learning portal, My Professional Learning (MyPL). This online system offers improved functionality to teachers accessing, reflecting upon and logging their professional learning. The portal was commissioned by Scottish Government in response to the Teaching Scotland's Future report which recommended a National E-Portfolio be created for all teachers across the country. Currently, nearly 3,000 teachers are piloting the system and the national roll out will take place throughout 2019–20, transferring every teacher in Scotland from the current

system to using MyPL to log their Professional Update and associated learning.

Supporting high-quality Professional Review and Development

GTC Scotland was tasked by the Deputy First Minister and Cabinet Secretary for Education and Skills, John Swinney, and the Strategic Board of Teacher Education to refresh and communicate the need for strong links between professional learning approaches; Professional Review and Development (PRD) processes; and Professional Update. The need for this refresh was highlighted in Professional Update Annual Evaluations which suggested that PRD was an area in which further support and guidance for teachers is required. Two seconded Education Officers, both former teachers, were appointed in October/November 2018 to engage directly with teachers, headteachers and senior leaders involved in the PRD process to identify ways in which this could be achieved. To assist in the development of guidance to support high-quality PRD, a steering group was set up and is helping to shape national PRD guidance which was published in September 2019.

96%

had a PRD meeting, according to the PU evaluation

95%

felt they had ownership over the professional learning they engaged in and that their professional learning was relevant to their development needs this year

2. Be an effective regulator acting in the public interest, enhancing the reputation of the Scottish teaching profession

Enhancing professionalism in the college sector

GTC Scotland has continued to work with the college sector to validate individual colleges for Professional Update. All Scottish colleges have now either been validated or are in the process of validation (with the three final colleges currently working with GTC Scotland towards validation).

In 2017, a requirement for all lecturers to be registered with GTC Scotland was part of the terms and conditions of the sector's National Joint Negotiating Committee settlement. A cross-sector working group, chaired by GTC Scotland, has been set up to establish requirements and pathways for college lecturers to register with and be regulated by GTC Scotland. Registration and regulation are seen as an important step in acknowledging the professionalism of lecturers and their ongoing commitment to professional learning. GTC Scotland has been making internal

preparations for college registration, such as enhancing our online registration capabilities and working closely with the college sector to provide support materials, including offering more college-related content in *Teaching Scotland* magazine.

Accreditation of Teacher Education Institutions

Throughout the reporting period, we have been exploring new and innovative ways to attract people into the teaching profession in Scotland. Part of this work came out of the Scottish Government's Review of Governance and a desire to offer more flexible routes into teaching in a bid to attract people and encourage greater diversity in the profession. A programme of accreditation and re-accreditation throughout the year has seen new and existing programmes of teacher education evaluated to ensure that high standards are maintained. These programmes are listed in Table 1, below.

Registration of teachers in independent schools

GTC Scotland has continued to work closely with the Scottish Council of Independent Schools (SCIS) and the independent sector to enable the registration of teachers in independent and grant-aided schools. This work is progressing well and will ensure that all teachers in independent schools in Scotland are registered and regulated by GTC Scotland by October 2020.

Table 1: Teacher accredited programmes

Teacher education institution	Name of programme	Date of accreditation
University of Dundee	Teaching Qualification in Further Education	22 May 2018
University of Dundee/UHI	Postgraduate Diploma STEM Education Partnership Induction Model	27 June 2018
University of Strathclyde	BA (Hons) Primary Education	24 August 2018
University of Edinburgh	Return to Teaching	27 September 2018
University of Aberdeen	TQFE	11 December 2018
University of the West of Scotland	BA Education	12 February 2019
University of Stirling	TQFE	19 February 2019
University of Glasgow	MDTechEd MA Religious Education	27 February 2019
*Edinburgh Napier University	Professional Graduate Diploma in Education (specialising in Biology, Chemistry, Mathematics or Physics)	26 April 2019
*Queen Margaret University, Edinburgh	BA (Hons) Education Studies (Primary) PGDE Secondary (Home Economics)	20 May 2019

* Accreditation of both universities falls outwith the 2018–19 reporting cycle.

14
colleges have
been validated by
GTC Scotland for
Professional Update



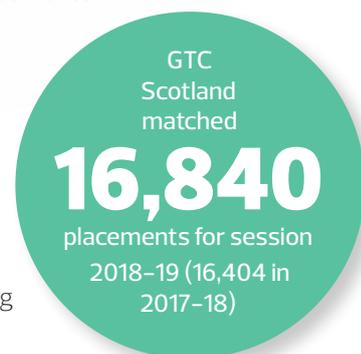
GTC Scotland has also accredited five professional learning programmes shown in Table 2. Professional Recognition recognises the enhanced, significant and sustained enquiry a teacher has undertaken and the development of their professional learning in a particular area. The award recognises the expertise and accomplishment of the teacher. Programmes leading to Professional Recognition are awarded with a Quality Mark, signifying their high-quality content which ensures that teacher professionalism is maintained and enhanced, and that learning experiences are professionally recognised and valued.

Table 2: Professional learning programmes

1.	West of Scotland Development Education Centre (WOSDEC) Global Citizenship programme with the award of Professional Recognition
2.	Osiris Teaching Intervention Programme with the award of Professional Recognition in Teaching Intervention
3.	North Ayrshire Council with the award of Professional Recognition in Reading Recovery
4.	University of Strathclyde's Supporting Teacher Learning Programme
5.	Making Connections Through Learning for Sustainability

Student Placement System

GTC Scotland is responsible on behalf of Scottish Government, the Teacher Education Institutions, and local authorities, for operating the Student Placement System (SPS). This system ensures that all students studying to be teachers are placed in schools appropriate to their subject and learning requirements. This is a complex and significant project for GTC Scotland involving considerable amounts of technical work, including tens of thousands of calculations by an algorithm to ensure students are matched with placements and that those placements meet their needs and within acceptable travelling distance. In 2018–19 GTC Scotland placed 6,299 students across Scotland. (7,363 for 2017–18). We will continue to work with our partners on SPS to ensure the system develops and continues to provide the best possible service to aspiring new teachers.



Recognising excellence in the teaching profession

GTC Scotland holds regular national events that recognise the expertise and accomplishments of teachers across the country.

The Leadership Awards ceremony, held annually in May, is a joint event with Education Scotland at which Scotland's newest education leaders are recognised for gaining headship qualifications.

The National Probationer event held annually in June celebrates those joining the profession via the Teacher Induction Scheme and Flexible Route, both of which are managed by GTC Scotland.

Our prestigious national Excellence in Professional Learning Awards event, held every September at the conclusion of the Scottish Learning Festival, recognises Excellence in Professional Learning across the teaching profession.

The recipients of the Excellence in Professional Learning Award for Schools and Communities were:

- Dunbar Primary School, East Lothian
- Kelso High School, Scottish Borders Council
- Glasgow's Improvement Challenge, Glasgow City Council
- Leadership of Learning Community (Family Groups), North Lanarkshire Council
- Nurturing North Ayrshire Team, North Ayrshire Council
- St Andrew's Secondary School, Glasgow City Council
- St Mungo's Academy, Glasgow City Council
- Riverside Primary School, Stirling Council.

The Professional Recognition Award for Professional Learning Programmes was awarded to:

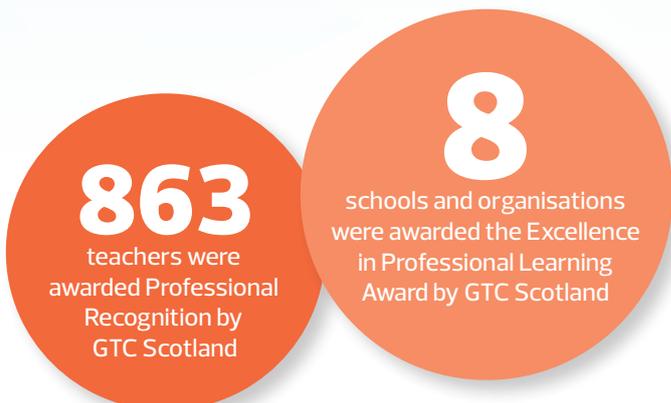
- Columba 1400 – Values Based Teacher Leadership
- East Lothian Council – Developing Leadership through a School Improvement Project
- Positive People Development – First Steps into Leadership and Management
- SCILT
- Tapestry Partnership – Leading Learning – the Lens of Middle Leadership
- West of Scotland Development Education Centre (WOSDEC) – Global Citizenship.

The Professional Learning Award for Organisations was made to:

- Dyslexia Scotland
- Royal Conservatoire Scotland
- Scotland's Enterprising Schools
- Scottish Film Education
- Scottish Schools Education Research Centre – SSERC
- Tapestry Partnership.



The GTCS Convener's Professional Values Award was presented to Mig Coupe, Head of Direct Help and Support, the Salvesen Mindroom Centre. Mig was praised for her focus on CPD, self-reflective practice and personal development. Her approach was commended as always grounded in good practice, while her continual drive to develop and build on her own knowledge and understanding, and instil this within her team, was also lauded.



Regulation

The protection of the public remains central to GTC Scotland's FtT process and work has continued during the year to embed the new FtT Rules that came into force on 21 August 2017.

GTC Scotland received 181 new cases during 2018–19, which means that we received FtT referrals in respect of 0.24% of our total number of registrants. This is a 12% increase from the 162 new cases received in 2017–18. Twenty teachers were removed from the register in 2018–19 following FtT processes (27 teachers were removed in 2017–18).

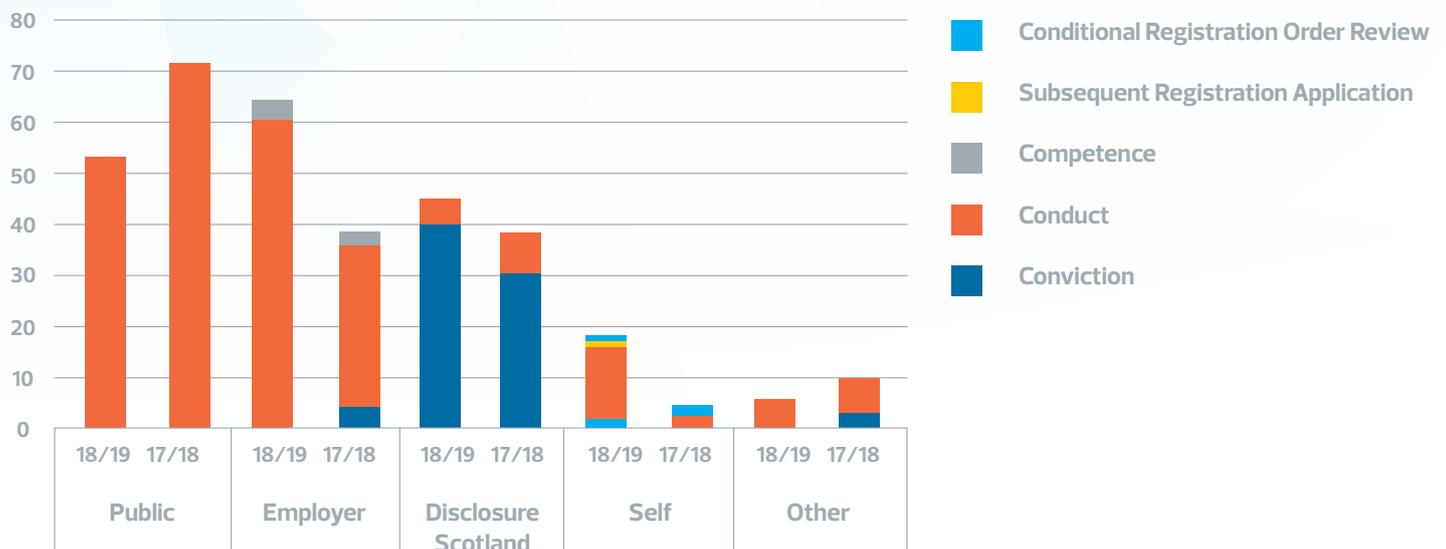
	2018–19	2017–18
Open cases at 1 April	141	162
Cases received in year	181	162
Cases closed in year	(196)	(183)
Open cases at 31 March	126	141

The profile of who made FtT referrals changed in 2018–19; 55 cases were referred by the public (71 in 2017–18) and 56 cases were referred by employers (38 in 2017–18). The overwhelming majority of cases, however, continue to relate to conduct (125) with competence referrals remaining low (5).

The higher level of referrals from employers during 2018–19 may be as a result of the work of our Development Officers to promote better engagement.

Referrals from Disclosure Scotland increased to 45 in 2018–19 (38 in 2017–18), while self-referrals increased to 19 in 2018–19 (5 in 2017–18). Increased awareness amongst the profession of our FtT process could perhaps explain the increase in the number of self-referrals. However, it will be important to monitor what happens over 2019–20 and then consider whether targeted research by GTC Scotland in this area would help inform our public and employer engagement, as well as future resource planning. Six referrals were made by a variety of other sources including the Crown Office and Procurator Fiscal Service in 2018–19 (there were 9 referrals from other sources in 2017–18).

Figure 1: Cases received



Information Governance

GTC Scotland appointed an Information Compliance Officer in December 2017 to support the organisation in ensuring its compliance with the General Data Protection Regulation (GDPR) which came into force on 25 May 2018. An initial exercise assessed GTC Scotland's compliance with GDPR against the seven Data Protection principles, the outcomes of which formed the basis of an action plan. While significant progress has been made against the action plan, there remain a small number of areas where GTC Scotland is continuing to work towards compliance. It is estimated that full compliance will be achieved by December 2019.

During 2018–19, one requester made an application for a Decision by the Scottish Information Commissioner. The Commissioner found that GTC Scotland had complied with FOISA.

Equality and Diversity

GTC Scotland seeks to promote equality of opportunity by recognising and developing the diversity of talent within our Staff and Council, Committee and Panel members under an ethos of mutual respect and trust. To this end, an Equality and Diversity action plan was launched in December 2018. Various initiatives from the plan have been completed including the formation of an Equality and Diversity staff group; the roll-out of equality and diversity training to senior managers; and the creation of an equality and diversity policy, Equality Impact Assessments and associated guidance. Future work includes online training for staff; publication of staff equality monitoring forms and the launch of equalities week.

We understand that varied perspectives will make valuable contributions to the teaching profession and that this will benefit learners. An example of GTC Scotland's commitment to varied perspectives is demonstrated by inclusion of a Gaelic-language article in each edition of Teaching Scotland magazine; a Gaelic version of this Annual Report is also available at gtcsc.org.uk.

Registration

Registration of teachers and college lecturers is at the heart of our work. Registration against the Professional Standards ensures teaching quality. Every teacher wishing to register with GTC Scotland must have a degree or equivalent in a relevant subject and a teaching qualification. College lecturers volunteering to register must have the Teaching Qualification in Further Education (TQFE).

The potential implications of Brexit have focused our minds during this reporting period on how we will continue to register potential teachers from the European Union (EU) post-Brexit. Currently, we are obliged by law to register teachers from other EU countries whereas teachers from countries in the rest of

the world have to participate in a different registration process. Brexit will end this arrangement. We will then revert to our rest-of-world processes for all teachers. This will increase our administrative workload although it will also allow us to operate one process for all teachers. One other outcome of Brexit will be that we will lose access to the Internal Market Information (IMI) database which allows countries across the EU to share information about individuals who are prohibited from working in certain professions. This will require us to work closely with individual countries to gather this information about registrants (for example via police checks), as we currently do with rest-of-world countries.

Each year hundreds of teachers and lecturers request registration with GTC Scotland. Below are some facts and figures that illustrate the work we do in this area:

868

GTC Scotland registered applicants via Qualified outside Scotland processes (503 in 2017–18)

309

registrants were awarded GTC Scotland Professional Registration, which is up 11% on the previous period (280 in 2017–2018)

143

flexible route probationer teachers of the 619 registered were awarded Full Registration via the Flexible Route. (In 2017–18, 185 out of 919 flexible-route probationers were awarded Full Registration)

2,746

probationer teachers were awarded Full Registration via the Teacher Induction Scheme (Previous year: 2,665)

41

teachers awarded GTC Scotland ASN registration (42 in 2017–2018)

Data requests in 2018–19:

- 64 FOI requests (51 in 2017–18)
- 18 subject access requests (12 in 2017–18)
- All requests for personal information, and 96% of FOI requests, were responded to within the required timescales (4% of FOI requests were incomplete)

3. Continue to improve our governance, organisational effectiveness and capability

Stakeholder engagement

GTC Scotland's large-scale stakeholder research carried out in 2014 indicated that while many stakeholders recognised the important role and functions of GTC Scotland, more needed to be done to raise awareness and better engage with registrants.

With the increase in the annual registration fee in January 2017, the appointment of new staff members to take forward direct engagement work with stakeholders was made possible. Two Development Officers joined GTC Scotland in the autumn of 2018 to engage with stakeholders across the country, to help increase understanding and awareness of GTC Scotland's role and responsibilities.

Since their appointment, the Development Officers have visited local authorities and partner organisations across Scotland to try and find out what our stakeholders know and understand

about areas of GTC Scotland's work, close any knowledge gaps identified, and offer training and support where needed.

We have increased our presence at key events such as the Scottish Learning Festival and College Expo in order to disseminate information about GTC Scotland and engage directly with the teaching profession.

Our programme of school visits and professional learning sessions delivered by members of staff has continued to expand and proved useful in explaining our work. The Excellence in Professional Learning Awards was held for the second year running in 2018–19 and again celebrated the impressive educational practice being undertaken in schools and organisations across the country.

GTC Scotland's Chief Executive has engaged with over

280

stakeholders

Development Officers have visited all

32

of Scotland's local authorities



Enhancing digital services

We have been carrying out a range of work to enhance our digital services, in particular in the areas of service delivery; reduced system downtime; improved functionality for users; and the increasingly critical area of information security. In January 2019, GTC Scotland was certified for Cyber Essentials Plus accreditation. The Cyber Essentials scheme is a world-leading, assurance mechanism for organisations to help demonstrate that cyber security measures are in place to help organisations protect against common, serious online threats. This certification verifies that GTC Scotland's IT systems are secure and that satisfactory defences are in place against cyber attack. We have been rolling out a programme of training workshops for staff on issues such as setting secure passwords; understanding malware and spyware risks; and managing what would happen if our business continuity was ever threatened by a cyber attack. We have also featured articles in *Teaching Scotland* magazine and gtcs.org.uk to disseminate this information and useful hints and tips for registrants to use to keep safe online.

A Customer Relationship Management (CRM) system (based on Microsoft Dynamics technology and named Atlas following a staff poll) is being introduced and new processes put in place as the system is rolled out across the organisation. This is a significant project which will enable substantial improvements to organisational processes and efficiencies. The first department to begin using Atlas is Regulation and Legal Services. It will allow enhanced tracking and monitoring of FtT processes and offer an improved service to registrants.

Data management and visualisation work has progressed alongside the Atlas roll-out, with new software being introduced that allows for more efficient and accurate data reporting. GTC Scotland holds large amounts of useful data about teacher numbers; the range of subjects in which teachers are qualified; the geographical spread of registrants from across the world, among many other areas. We can use this anonymous data to better inform our work and to present information in more interesting and informative ways. We are also continuing to improve the systems and services that we manage on behalf of registrants. MyGTCS has experienced significant growth in use over the last year with analysis showing a 53% increase in users. As a result of this demand, a new server infrastructure was introduced to support the increase in users and to provide a scalable solution that can grow as required. These changes should ensure minimal downtime of MyGTCS and a faster response time for registrants logging on.

MyGTCS has experienced significant growth in use over the last year with a

53%
increase in users

The pilot was extended to include West Lothian users from March 2019 with nearly

3,000
teachers actively using the portal

The My Professional Learning (MyPL) portal has continued to be developed and improved using feedback received from pilot users. The pilot was extended to include West Lothian users from March 2019 with nearly 3,000 teachers actively using the portal to log their professional learning activities. The portal continues to be enhanced as feedback is gathered. The national roll-out, moving all teachers and lecturers from using the Professional Update (PU) tab in MyGTCS, to using a MyPL tab for logging professional learning, began in August 2019. This change should be a seamless transition because the MyPL portal mirrors the PU portal but with improved functionality.



Healthy Working Lives

Silver Award

The General Teaching Council for Scotland

Improving internal processes and the working environment

We understand the benefits to registrants of continuous improvement across all aspects of our operations, systems and processes. The more efficient and effective our services, the better outcomes for registrants using them.

The refurbishment of Clerwood House was completed during the reporting period with significant improvements seen to the working environment, offices and meetings rooms. The roof of the building and external paintwork received essential maintenance to ensure the sustainability of the building. The next phase of development will see the car park at Clerwood House resurfaced over 2019–2020.

The appointment of senior staff members in both the Finance and Digital Services teams has seen the introduction of new internal procedures that have streamlined work processes and aligned them with our strategic and annual business planning. This has included a focus on our project management.

GTC Scotland was awarded its Healthy Working Lives Silver Award in July 2019, following achievement of its Healthy Working Lives Bronze award in January 2018.

In order to attain the silver award, the HR team and a cross-organisational working group organised a range of initiatives for staff aimed at creating a healthier working environment throughout 2018–19. This included encouraging employees to eat healthily, providing opportunities for them to increase the amount of physical activity that they do, and running events to promote positive mental health.

A number of policies that impact on employee wellbeing were audited such as those which support attendance at work; avoid accidents in the workplace; and assist employees struggling with an alcohol or drug addiction.



We are continuing to improve the systems and services that we manage on behalf of registrants."

Financial Review

Overview

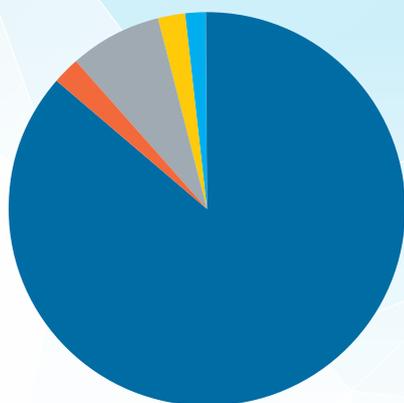
The organisation recorded net expenditure, before other recognised gains/losses, of £87,000 for the year ended 31 March 2019 (2017–2018 as restated: net income of £16,000) as reported under the Charities Statement of Recommended Practice (SORP) (FRS102). Key movements in income and expenditure are outlined below:

Income

Total income from charitable activities during the financial year was £5.79m (2017–18 as restated: £5.67m).

Registration activities

GTC Scotland is funded predominantly from fees paid by teachers who are required under the Public Services Reform (General Teaching Council for Scotland) Order 2011 to be registered with Council in order to teach in Scotland.



- Registration activities £4,997,864
- PoVG fees £132,626
- Expenditure recharged to third parties £436,348
- External funding £135,766
- Advertising & Sponsorship £85,201
- Sundry income £1,438

The number of registered teachers continued to increase during 2018–19 with over 75,000 on the register at the end of the year (2017–2018: over 74,000 registered teachers) generating income of £5.00 million (2017–2018: £4.88 million).

These numbers can be broken down as follows:

	As at 31 March 2019	As at 31 March 2018
Primary Head Teachers	1,085	1,194
Primary Education	38,011	36,859
Secondary Head Teachers	165	179
Secondary Education	35,943	35,446
Further Education (College Sector)	448	485
Teacher Education Institutions	132	134
Total	75,784	74,297

Expenditure recharged to third parties

To promote, support and develop the professional learning of teachers, GTC Scotland carries out a wide range of initiatives.

The Student Teacher Placement process is a national placement programme which includes a system that enables automatic matching of student teachers to school placement offers throughout Scotland. GTC Scotland develops, maintains and hosts the system on behalf of the universities, local authorities and schools. The total number of student placements made in the year was 16,840 (2017–18: 16,404). The total cost recharged to the universities and local authorities by GTC Scotland for providing this service during 2018–19 was £270k (2017–18: £260k).

In partnership with the Scottish Government, GTC Scotland is responsible for the administration of the Teacher Induction Scheme (TIS). This scheme provides a guaranteed one-year training post in a local authority to every eligible student graduating with a teaching qualification from one of Scotland's universities. The total cost recharged to the Scottish Government by GTC Scotland for administering this scheme during 2018–19 was £49k (2017–18: £48k).

A further £113k was recharged during the year by GTC Scotland for employees seconded to other organisations (2017–18: £77k).



External funding

GTC Scotland also receives funding from external third parties to support specific projects. During the year, £80k (2017–18: £126k) was received from Scottish Government to fund the second year of a three-year project to develop a national e-portfolio for teachers (MyPL). A further £55k (2017–18: £36k) was received from Scottish Government to fund year two of the MQiTE (Measuring Quality in Initial Teacher Education) project, which involves research to follow 2017–18 teacher education graduates as they progress through the first five years of their careers.

Advertising and sponsorship

GTC Scotland offers a range of support services to teachers, including *Teaching Scotland* magazine which issues five times a year to everyone on the Register. The production of the magazine generated gross advertising revenue of £55k during the year (2017–18: £75k). A further £15k of advertising income was generated as a result of the MyBenefits App which was launched during the year. Advertising and sponsorship opportunities are considered on a case-by-case basis; principal considerations are relevance to registrants and adherence to GTCs' values. GTC Scotland hosted its second Excellence in Professional Learning Awards in September 2018. Sponsorship of the awards generated £15k (2017–18 £nil).

Total income from charitable activities during the financial year was

£5.79m

The total number of student placements made in the year was

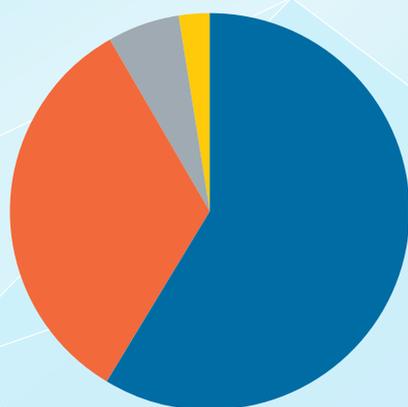
16,840

The number of registered teachers continued to increase during 2018–19 to over

75,000

Expenditure

Total expenditure incurred on charitable activities during the financial year was £5.98m (2017–18 as restated: £5.68m).



■ Staff costs £3,504,425

■ Operational costs £1,974,408

■ Property related costs £348,103

■ Governance costs £148,213

Staff costs

Staff costs during 2018–19 were £3.5m (2017–18: £3.06m) and accounted for approximately 59% (2017–18: 54%) of the organisation's expenditure on charitable activities. A restructure during the year saw the creation of the development and engagement department and the appointment of four senior strategic managers. All new posts are considered by the Corporate Management Team (CMT) and only once they are approved does recruitment take place.

GTC Scotland's share of the Strathclyde Pension Fund (SPF) defined benefit pension liability increased from £2.6m at 31 March 2018 to £4.3m at 31 March 2019. This movement resulted in additional pension costs of £603k (2017–18: £330k) being charged to the Statement of Financial Activities (SoFA).

The pension liability at 31 March 2019 has been calculated on the basis recommended by FRS102. The formal valuation of the SPF is carried out triennially on a different accounting basis to this year's rolling valuation basis which results in considerable variation in the reported liability. This does not necessarily reflect the SPF's performance and makes year-on-year comparisons difficult. Further information regarding staff costs can be found in note 8 to the financial statements.

Operational costs

Operational costs totalled £1.97m during the year (2017–18: £1.99m) and reflect the non-staff costs that GTC Scotland incurs in providing services to registrants. The main areas of spend

relate to IT and the provision and maintenance of the GTC Scotland websites; legal costs in relation to the FtT process; and publication costs in relation to the production of *Teaching Scotland*, GTC Scotland's magazine. Significant effort and investment have been made over the last 12–18 months to enhance GTC Scotland's digital capability and make the organisation more efficient by automating and streamlining processes. As a result, IT costs were approximately £90k lower in 2018–19. This saving has been offset by the inclusion of an £85k provision for VAT. Further information can be found in note 14 of the financial statements.

Property costs

Property costs totalled £348k during the year (2017–18: £479k) and reflect the costs associated with the running and maintenance of GTC Scotland's offices, Clerwood House. Property costs are significantly lower in 2018–19 following the extensive refurbishment of Clerwood House, most of which was carried out in the prior year. Practical completion of the refurbishment project was achieved in June 2018.

Governance costs

Governance costs totalled £148k during the year (2017–18: £150k) and reflect the costs associated with the governance arrangements of the charity which relate to the general running of the charity. An increase in auditor's remuneration, following the appointment of new external auditors in the year, has been offset by a reduction in election costs as elections are held every two years. As a result, governance costs have remained broadly consistent year on year.

Capital expenditure

Capital expenditure during the year was £232k (2017–18: 164k). Of this, £92k related to the completion of the refurbishment and fit out of Clerwood House; with the balance of £140k relating to investment in IT development.

Supplier payment performance

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 10 days in line with best practice. GTC Scotland has an approach to procurement which is designed to achieve good value and is subject to regular review.

Cash balances

As at 31 March 2019, GTC Scotland had cash balances totalling £4.3m (2018: £3.8m). Those balances not needed for short-term operational reasons are placed on deposit with highly-rated banks to generate interest. Deposits are spread across a number of banks and GTC Scotland is satisfied that it is not exposed to any significant liquidity risk.

Reserves policy

GTC Scotland holds both restricted and unrestricted funds and details of these are provided in note 16 to the financial statements.

The available reserves of the charity at 31 March are:

	2019 (£'000)	2018 (£'000)
Accumulated unrestricted funds	5,702	5,158
Less: attributed to fixed assets	1,877	1,847
Available reserves	3,825	3,311

GTC Scotland's reserves policy is to ensure that net current assets are sufficient to meet all contractual obligations as they fall due. Council considers that the minimum level of reserves should be sufficient to meet three months' running costs held in liquid funds, which equates to £1.4m. Council considers that this policy has been met.

Going concern

Council considers it appropriate to prepare the financial statements on a going concern basis. Further information can be found in note 1 to the financial statements.

Funds held as custodian trustee on behalf of others

During the year, the activities of the Scottish College for Educational Leadership (SCEL) transferred to Education Scotland. At that time, it was agreed that the funds of SCEL should be used to create a new bursary scheme to support teaching practitioners to engage in research. The funds, which amounted to £75,326, were transferred to GTC Scotland. GTC Scotland acts as the agent of the SCEL Legacy Fund and has no discretion over how bursaries are awarded, acting only in accordance with instructions of the SCEL Legacy Fund Selection Committee. As such, these funds are recognised in a restricted fund, as shown in note 16 to the financial statements.



Principal risks

GTC Scotland is committed to ensuring that risk management underpins and supports the delivery of its strategic plan and the discharge of GTC Scotland's statutory duties, and that an efficient and effective risk management system is in place. Council has overall responsibility for ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control.

GTC Scotland maintains a risk register that details the most significant risks to the delivery of the Charity's strategic priorities. The risk register is reviewed weekly by CMT; at all team meetings across the organisation; at every committee meeting; and by full Council at each of its quarterly meetings.

Principal risks to the organisation include the following:

- Brexit and ongoing uncertainty about the legal and process implications for registering teachers from the EU. Potential outcomes are likely to include an increased administrative burden on GTC Scotland. Plans are already in place to mitigate these risks, including reverting to our rest-of-world registration process for all EU teachers.
- Technology and in particular the pace at which it is changing is a challenge that is being actively addressed by GTC Scotland. This can be complex in that we have to ensure we are developing systems that meet the needs and skills of all registrants and not just those who are digital natives. We are investing heavily in improving our infrastructure and offering more services, such as online registration. GDPR compliance is another challenge, which we are managing with the help of our Information Compliance Officer.
- GTCS continues its commitment to accreditation of initial teacher education programmes and supporting the recruitment and retention of high-quality teachers. We do this by playing a key role in leading, supporting and promoting high-quality professional learning and leadership of learning, and through ensuring standards are maintained. We are working to ensure a wider and more flexible range of routes into teaching to ensure that people from all backgrounds can access teacher education opportunities. While we do this, we need to balance the continued requirement for high standards and high quality that is the hallmark of registration with GTC Scotland.
- Ensuring that our FtT processes are understood by registrants and local authority staff. We have appointed two Development Officers to raise awareness of our processes and to ensure our FtT core principles of fairness and proportionality are adhered to.

We do not anticipate that any of these risks will negatively affect the financial performance or position of GTC Scotland going forward.





GTC Scotland is a modernising organisation at the forefront of Scottish education. We will continue to embrace our mission to be a world-class organisation acting in the public interest to regulate the teaching profession while supporting its ongoing professional learning and development."

Plans for future periods

In 2019–20, the total approved expenditure budget is £6.7m. This includes provision, over and above recurring education and regulation related activities, for the delivery of the three key projects that have been identified as a priority for GTC Scotland, namely:

- Refresh of the Professional Standards and revision of COPAC
- Registration of College Lecturers and Instrumental Music Instructors
- Phases 2 and 3 of Atlas (continuation of CRM project).

Council will also be developing a new strategic plan, covering the three years 2020–23. The strategic plan will support GTC Scotland's vision of assuring and enhancing educational professionalism and inspiring world-class learning and teaching; and identify areas that require future investment.

In 2019–20, the total approved expenditure budget is

£6.7m

GTC Scotland is a modernising organisation at the forefront of Scottish education. We will continue to embrace our mission to be a world-class organisation acting in the public interest to regulate the teaching profession while supporting its ongoing professional learning and development.

Structure, Governance and Management

The organisation

GTC Scotland was registered as a Scottish Charity (SC006187) on 17 October 1966 with the charitable purpose of advancing education.

GTC Scotland is governed by a Council of 37 members who act as Charitable Trustees and is referred to as Council.

Council members

Council is comprised of 19 elected registered teachers, 11 educational stakeholder nominees and seven lay members appointed by an independent Appointments Committee.

Council membership is based on a four-year term of office and 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.

A full two-day induction and professional learning event is delivered to all new and returning Council members at the start of each new Council. Members joining mid-term are provided with a summarised programme in advance of attending their first committee meeting. All committees undertake a half-day professional learning event on an annual basis in order to ensure that they are well informed on areas pertinent to the work of the committee on which they serve. Further additional sessions are arranged as required.

Details of Council membership for 2018–19 are set out on page 29 of this report.

Scope of responsibility

Council is responsible for setting the organisation's vision and strategic direction and for monitoring progress to achieve these, while complying with their duties as charitable Trustees. Council is also responsible for holding the Chief Executive and Registrar to account and ensuring that the organisation is managed effectively and efficiently.



Council is responsible for setting the organisation's vision and strategic direction and for monitoring progress to achieve these, while complying with their duties as charitable Trustees."

Council member's responsibilities regarding the financial statements

Council members are responsible for preparing the annual report and financial statements in accordance with 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".

The law applicable to charities in Scotland requires 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 income and expenditure of the charity for that period. In preparing these financial statements, Council members are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- 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.

Council members are responsible for keeping adequate 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.

Council members are responsible for the maintenance and integrity of the Charity and financial information included in the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Governance framework

Much of the work of Council is conducted through its committees which have delegated responsibilities in certain areas. The committees formulate and recommend policies for approval by Council and implement and monitor policies approved by Council. They also advise, inform, and put forward recommendations or proposals on other matters for Council or its other committees or sub-committees as appropriate.

GTCS Council members serve on one or more of the following committees and sub-committees:

- Education Committee
- Executive Committee
- Finance and Corporate Services Committee (formerly Finance and General Purposes Committee)
- Professional Regulatory Assurance Committee
- Audit Sub-Committee
- Staffing Sub-Committee.

GTC Scotland's Corporate Management Team (CMT) is responsible for the day-to-day management of the organisation. The appointment of the Chief Executive is effected by the Council. The Chief Executive's remuneration is determined by the Convener of Council and the Convener of the Finance and Corporate Services Committee. The remuneration of other members of CMT is determined by the Convener of Council and the Chief Executive.



The purpose of a governance framework

The system of governance is designed to manage risk rather than eliminate all risk of failure to achieve the GTC Scotland strategic priorities. The system of governance is based on an ongoing process designed to identify the principal risks to the achievement of GTC Scotland's strategic priorities; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Review of effectiveness

As Convener of Council, I have responsibility for reviewing the effectiveness of the system of governance. My review is informed by:

- The work of Council and the strategic direction it gives the organisation;
- The work of the Committees and Sub-Committees;
- The managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the external auditor in its management letter and other reports.

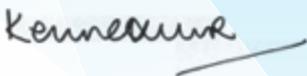
Matters arising

There were no matters arising other than those already laid out in this report.

Conclusion

Based on the assurance provided to me, I have concluded that the internal control system is operating effectively and that appropriate action plans are in place to address any weaknesses identified and to ensure continuous improvement of the system.

By order of Council:

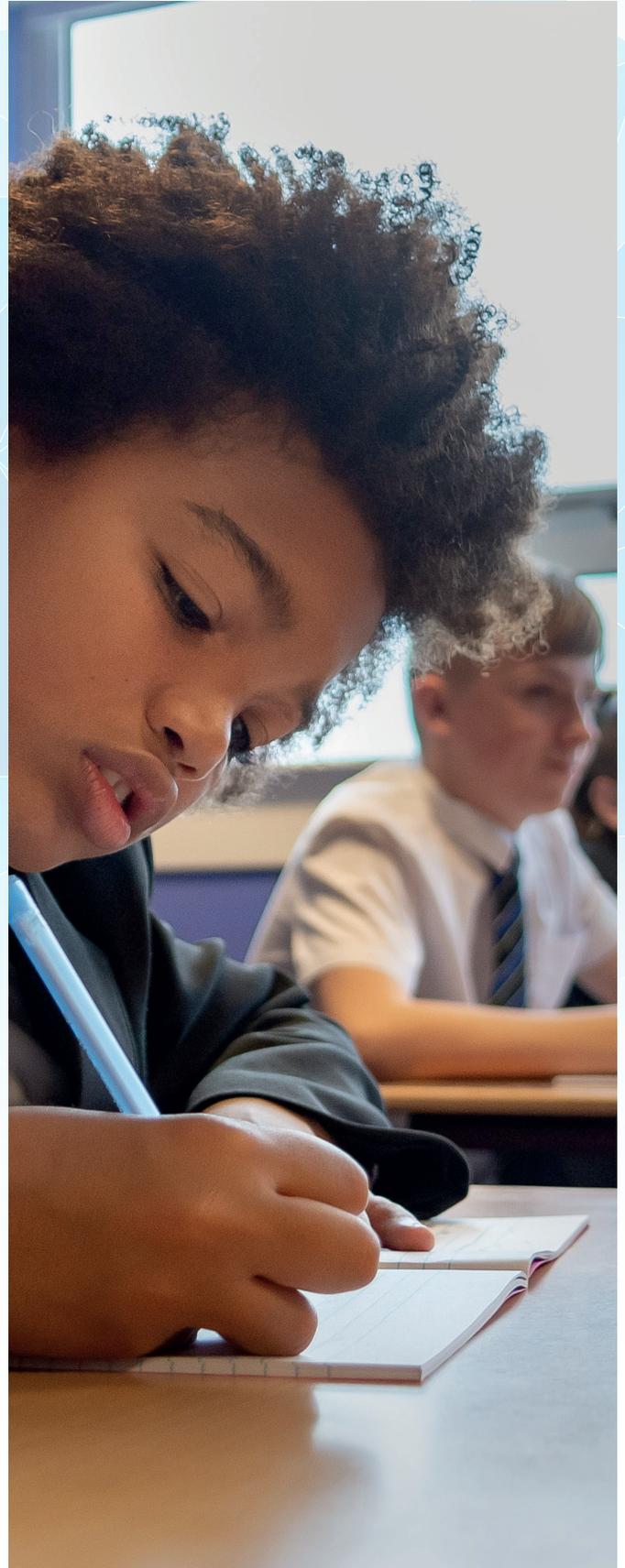


Kenneth Muir
Chief Executive and Registrar



David Innes
Convener of Council

25 September 2019



Membership of Council – 2 April 2018 to 1 April 2019

I ELECTED MEMBERS [19]

(a) Primary/Nursery Teachers (including Headteachers) [9]			
*Lillian Field	Headteacher+		(2022)
*Alison Palmer	Headteacher+		(2020)
*Thomas Britton	Teacher		(2022)
*Craig Carson	Teacher		(2020)
*Adela Mansur	Teacher		(2020)
*Lorraine McBride	Headteacher		(2022)
*John Rodgers	Teacher		(2022)
*Edith Swinley	Teacher		(2020)
*Martin Whitfield	Teacher		(2020)
(b) Secondary Teachers (including Headteachers) [8]			
*David Innes	Headteacher+		(2020)
*John Devine	Headteacher+		(2022)
*Richard Bell	Teacher		(2020)
*Aileen Lynch	Teacher		(2022)
*Kevin Campbell	Teacher		(2020)
*Karen J Farrell	Teacher		(2020)
*Iain Macmillan	Teacher	(From August 2018)	(2020)
*James Moore	Teacher	(To June 2018)	(2020)
*Adam C Sutcliffe	Teacher		(2022)
(c) Further Education [1]			
*Pamela Currie			(2020)
(d) Universities providing courses of Initial Teacher Education [1]			
*Paula Cowan			(2020)

II NOMINATED MEMBERS [11]

(a) Convention of Scottish Local Authorities (following consultation with the Association of Directors of Education in Scotland) [3]			
John Bell			(2022)
*Helen Budge			(2020)
*David Dodds			(2022)
(b) Universities Scotland (following consultation with universities providing courses of Initial Teacher Education) [3]			
*Sue Ellis	(To December 2018)		(2020)
*Donald Gillies			(2022)
*Neil Simco			(2022)
Vacancy	(From December 2018)		(2020)
(c) Further Education Colleges [1]			
David Alexander			(2022)
(d) Scottish Council of Independent Schools [1]			
*Margaret Lannon			(2020)
(e) Church of Scotland [1]			
Alexander Fraser	(To November 2018)		(2020)
Vacancy	(From November 2018)		(2020)
(f) Roman Catholic Church [1]			
Patricia Scott			(2022)
(g) Parent Councils and Combined Parent Councils [1]			
Barrie Sheppard			(2022)
III APPOINTED LAY MEMBERS [7]			
Lynsey Cleland	(From June 2018)		(2020)
Audrey Cowie	(To June 2018)		(2020)
Lawrie Davidson	(From June 2018)		(2020)
Ian Jackson			(2020)
Nazim Hamid			(2022)
Jane Malcolm			(2022)
Coral Riddell			(2022)
Carole Wilkinson	(From June 2018)		(2020)
Vacancy	(To June 2018)		(2020)

+Reserved Headteacher Places

*Registered Teacher

++ Move from Teacher Place to Reserved Headteacher Place

(2020) or (2022) 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

Reference and Administrative Details

Principal Office

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

Telephone: 0131 314 6000

Charity Number
SC006187

Bankers

Bank of Scotland
PO Box 1000
BX2 1LB

Royal Bank of Scotland
36 St Andrews Square
Edinburgh EH2 2AD

Clydesdale Bank
83 George Street
Edinburgh EH2 3ES

Santander
Bootle
Merseyside, L30 4GB

Solicitors

Anderson Strathern LLP
1 Rutland Court
Edinburgh EH3 8EY

External Auditor

RSM UK Audit LLP
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG

Council, Committees and Sub-Committees

	Convener	Vice-Convener
Council	David Innes	Edith Swinley
Executive Committee	David Innes	Edith Swinley
Professional Regulatory Assurance Committee	Lorraine McBride	Thomas Britton
Education Committee	Craig Carson	Richard Bell
Finance and Corporate Services Committee	Ian Jackson	Neil Simco
Audit Sub-Committee	Karen J Farrell	Edith Swinley
Staffing Sub-Committee	John Devine	Lillian Field

Key Management Personnel

Kenneth Muir	Chief Executive and Registrar
Ellen Doherty	Director of Education, Registration and Professional Learning (retiring September 2019)
Jennifer Macdonald	Director of Regulation and Legal Services
Martin Osler	Director of Corporate Services



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

Opinion

We have audited the financial statements of the General Teaching Council for Scotland (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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 (General Teaching Council for Scotland) Order 2011.

Basis for opinion

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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- Council members' use of the going concern basis of

accounting in the preparation of the financial statements is not appropriate; or

- Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Council members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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) require us to report to you if, in our opinion:

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

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities set out on page 26, Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as Council members determine is



necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Council members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council members either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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). 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.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG

30 September 2019

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Statement of Financial Activities for the year ended 31 March 2019

	Note	Unrestricted £'000	Restricted £'000	2019 Total £'000	Unrestricted £'000	Restricted £'000	Restated 2018 Total £'000
Income from							
Charitable activities	4	5,789	-	5,789	5,674	-	5,674
Investments	5	25	-	25	25	-	25
Donations	6	-	75	75	-	-	-
Total		5,814	75	5,889	5,699	-	5,699
Expenditure on							
Charitable activities	7	5,975	1	5,976	5,682	1	5,683
Total		5,975	1	5,976	5,682	1	5,683
Net Income/(Expenditure)		(161)	74	(87)	17	(1)	16
Other recognised gains/(losses)							
Actuarial gains/(losses)	15	(995)	-	(995)	1,559	-	1,559
Net movement in funds		(1,156)	74	(1,082)	1,576	(1)	1,575
Reconciliation of funds							
Total funds brought forward	16	3,880	15	3,895	2,304	16	2,320
Total funds carried forward	16	2,724	89	2,813	3,880	15	3,895

There were no other recognised gains or losses other than those listed above and the net expenditure for the year.

All income and expenditure are derived from continuing activities. See note 3 to the financial statements for further details of the restatement of prior years figures.

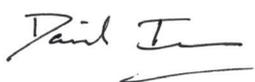
The notes on pages 37 to 47 form part of these financial statements.

Balance Sheet as at 31 March 2019

	Note	2019 £'000	Restated 2018 £'000
Fixed assets			
Intangible assets	9	194	-
Tangible assets	10	3,024	3,210
Total fixed assets		3,218	3,210
Current assets:			
Debtors	11	185	160
Cash at bank and in hand	12	4,317	3,770
Total current assets		4,502	3,930
Current liabilities			
Creditors: Amounts due within one year	13	(327)	(379)
Net current assets		4,175	3,551
Total assets less current liabilities		7,393	6,761
Provisions	14	(261)	(225)
Defined Benefit Pension Liability	15	(4,319)	(2,641)
Net assets		2,813	3,895
Funds of the Charity:			
Restricted income funds	16	89	15
Unrestricted funds	16	5,702	5,158
Revaluation reserve	16	1,341	1,363
Unrestricted funds excluding pension reserve		7,043	6,521
Defined Benefit pension scheme reserve	16	(4,319)	(2,641)
Total unrestricted funds		2,724	3,880
Total funds		2,813	3,895

The financial statements of the General Teaching Council for Scotland, registered charity number SC006187, were approved by the Trustees of Council and authorised for issue on 25 September 2019.

They were signed on its behalf by



David Innes
Convener of Council



Ian Jackson
Convener of the Finance and Corporate Services Committee

The notes on pages 37 to 47 form part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2019

	Note	2019 £'000	Restated 2018 £'000
Cashflows from operating activities			
Net cash inflow from operating activities	24	662	692
Cashflows from investing activities			
Interest received		25	16
Purchase of fixed assets		(214)	(146)
Net cash used in investing activities		(189)	(130)
Cashflows from financing activities			
SCEL legacy fund		75	-
George D Gray CBE MA Award		(1)	(1)
Net cash inflow/(outflow) from financing activities		74	(1)
Change in cash and cash equivalents in the reporting period		547	561
Cash and cash equivalents at 1 April		3,770	3,209
Cash and cash equivalents at 31 March		4,317	3,770

The notes on pages 37 to 47 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2019

1. Accounting Policies

Basis of Preparation

The General Teaching Council for Scotland (GTC Scotland) is an unincorporated charity registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC006187. Details of the principal address can be found on page 30 of these financial statements.

The objective of GTC Scotland is to promote and regulate the teaching profession in Scotland. As such, the charity meets the definition of a public benefit entity under FRS 102.

Without limiting the information given, the financial statements meet the requirements of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustee Investment (Scotland) Act 2005 and are prepared under Financial Reporting Standard (FRS) 102, the financial reporting standard applicable in the UK and Ireland, and the Charities Statement of Recommended Practice (SORP) FRS 102.

The financial statements are prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets. The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been consistently applied from year to year unless otherwise stated.

The presentation currency of these financial statements is Sterling. All amounts have been rounded to the nearest £1,000 unless otherwise stated.

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. 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 GTC Scotland has a stable source of future income. In addition, the Corporate Management Team reviews the GTC Scotland risk register on a regular basis.

The Trustees therefore consider it appropriate to prepare these financial statements on a going concern basis.

Income Recognition

All income is 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 source of income is fee income from teacher registration which is accounted for over the period of registration, 1 April to 31 March. Fees received in advance are deferred until the accounting period in which they are earned.

GTC Scotland receives funding from the Scottish Government and other external third parties to finance specific pieces of work such as the Student Placement System (SPS) and MyPL. External funding is treated as income and credited to the Statement of Financial Activities in the period in which GTC Scotland is entitled to recognise the income. Other income includes outward secondments, interest on investments and advertising income generated from the Teaching Scotland magazine. All other income

is accounted for on an accruals basis.

Expenditure Recognition

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 a particular heading 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 Council election, by Council members in attending committee and other meetings and the costs of professional services such as external audit.

Irrecoverable VAT

Irrecoverable VAT is included with the item of expense to which it relates and is either charged to the Statement of Financial Activities or capitalised as part of the cost of the related asset.

Taxation

GTC Scotland is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent any surpluses are applied to its charitable purposes.

Intangible Fixed Assets

Expenditure on intangible fixed assets, which includes the purchase of computer software licences, software and website costs, has a threshold for capitalisation of £1,000.

GTC Scotland recognises an intangible fixed asset when it is probable the asset will bring future economic benefits and where costs can be measured reliably. Intangible fixed assets are valued initially at cost and amortised over their life on an individual basis not exceeding 3 years. Amortisation of intangible assets is charged to Expenditure on Charitable Activities in the Statement of Financial Activities.

Tangible Fixed Assets

Expenditure is only capitalised where the cost of the asset acquired exceeds £1,000. On initial recognition, tangible fixed assets are measured at cost including any costs directly attributable to bringing them into working condition.

All fixed assets are reviewed annually for impairment and are carried at cost less any impairment. Heritable Property is stated at its current revaluation less depreciation based on the valuation policy noted below. All other assets are stated at cost, net of depreciation and any provision for impairment.

Heritable Property

Full valuations of heritable property are undertaken every five years. The last full valuation of Clerwood House was undertaken at 31 March 2016 when it was valued at open market value for existing use. It is included in the accounts at the valuation amount less accumulated depreciation since the revaluation.

Depreciation

Depreciation is provided on tangible fixed assets on a straight-line basis at rates sufficient to write down their cost, less estimated residual value, over their estimated useful lives.

The depreciation periods for each category of assets are:

Buildings	50 years
Office furniture	5 years
Computer equipment	3 years

Assets in the course of construction are not depreciated until the asset is brought into use.

Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise balances on short term deposits and cash at bank and in hand.

Leases

All GTC Scotland leases where substantially all the risks and benefits of ownership of the asset have not transferred to GTC Scotland are classified as operating leases. Rentals payable are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

There are no assets held under finance lease.

Provisions

Provisions are recognised when GTC Scotland has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to be settle the obligation and a reliable estimate can be made of the amount of the obligation.

Pension Provision

GTC Scotland is required to meet the additional costs of benefits beyond the normal pension scheme benefits in respect of employees who retire early. GTC Scotland provides in full for these costs when the early retirement has been agreed. Pension related provisions are discounted where appropriate, using the discount rate as advised by Hymans Robertson. Where discounting is used, the carrying amount of a provision increases in each year to reflect the passage of time. This change is recognised as an expense and included in the Statement of Financial Activities.

Financial Instruments

The financial assets and liabilities held by GTC Scotland qualify as basic financial instruments as described in Section 11 of FRS 102. Basic financial instruments, comprising trade debtors, cash and cash equivalents and trade creditors, are initially recognised at transaction value and subsequently measured at their settlement value. Trade debtors and trade creditors consist of balances outstanding at the financial year end. Cash held on short term deposits are with highly rated banks and do not create any significant interest-rate risk. As GTC Scotland's principal source of income is from teacher registration fees the charity is not exposed to any significant liquidity or credit risk.

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.

Debtors

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

Prepayments are valued at the amount prepaid net of any trade discount due.

Creditors

Creditors are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Creditors are recognised at their settlement amount after allowing for any trade discount due.

Fund Accounting

Unrestricted funds are available to spend on activities which further any of the purposes of the charity. Restricted funds must be used in accordance with the wishes of the donor or grantor. During the year GTC Scotland became

the agent for the administration of the SCEL legacy fund. As agent, the Trustees of GTC Scotland have no discretion about the use to which the SCEL legacy fund is put. GTC Scotland can only act in accordance with the instructions of the principal of fund.

Revaluation Reserve

The revaluation reserve records changes in the value of the heritable property. Depreciation is charged to the Statement of Financial Activities on the revalued amount of heritable property. An element of the depreciation arises from the increase in valuation and is in excess of the depreciation that would be charged on the historic cost of the asset. The amount relating to this excess is the realised gain on revaluation and is transferred from the revaluation reserve to unrestricted funds. The revaluation reserve is a fund not supported by cash and is not available for use.

Termination Payments

The termination of an employee's employment contract with GTC Scotland, and any associated payments, are considered on a case-by-case basis. Payment in lieu of notice is capped in line with contractual obligations.

Pension Costs

All eligible employees are entitled to membership of the Strathclyde Pension Fund (SPF), a defined benefit scheme administered by Glasgow City Council. Employees who are already members of the Scottish Teachers' Superannuation Scheme (STSS) are instead entitled to maintain their membership of that scheme. Employer's contributions to the STSS are charged to the Statement of Financial Activities as they fall due.

Employer's contributions to the SPF are based on the recommendation of the scheme actuary. The current and past service costs 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 GTC Scotland.



2. Critical Accounting Estimates and Judgements

In the application of the charity's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The pension liability included in these financial statements includes the effect of the McCloud judgement.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Restatement of Comparative Figures

FRS 102 does not permit the netting off of income and expenditure. Comparative figures in the Statement of Financial Activities have therefore been restated to gross up income and expenditure which had previously been recorded net of advertising revenue. There is no impact on the Net Expenditure reported within the Statement of Financial Activities.

Comparative figures on the Balance Sheet have been restated to transfer the balance relating to the George D Gray CBE MA Award from Creditors to Restricted Reserves within the funds of the charity as the fund can only be used for a specific purpose. This has increased the total funds by £15,000. There is no impact on the Statement of Financial Activities.

	Reported 2018 £'000	Movement £'000	Restated 2018 £'000
Statement of Financial Activities			
Income from charitable activities	5,599	75	5,674
Income from investments	25	-	25
Total	5,624	75	5,699
Expenditure on charitable activities	5,607	75	5,682
Net income	17	-	17
Balance sheet			
Creditors: Amounts due within one year	(394)	15	(379)
Net assets	3,880	15	3,895
Restricted income funds	-	15	15
Total funds	3,880	15	3,895

4. Income from Charitable Activities

	2019 £'000	Restated 2018 £'000
Registration fees	4,998	4,877
Expenditure recharged to third parties	436	398
External funding	136	201
Protecting Vulnerable Groups (PVG) fees	133	113
Advertising and sponsorship	85	75
Sundry income	1	10
Total	5,789	5,674

5. Income from Investments

	2019 £'000	2018 £'000
Short term deposit interest	25	25

6. Income from Donations

	2019 £'000	2018 £'000
SCEL Legacy Fund	75	-

7. Expenditure on Charitable Activities

	2019 £'000	Restated 2018 £'000
Staff costs	3,504	3,064
Defined benefit liability interest cost	80	102
Administration	807	695
Bureaux and professional services	725	823
Property and security	348	479
Depreciation and amortisation	224	253
Disclosure and other fees	139	117
Sub total	5,827	5,533
Governance – General Expenses		
Council, Committee and Panel Member Compensation	66	62
Travel and subsistence	45	49
Accommodation and catering	21	19
Auditor's remuneration	17	12
Election costs	-	8
Governance costs	149	150
Total	5,976	5,683

Administration costs include £1,000 (2017-18: £1,000) of restricted funds expenditure.

A GTCS Members Expenses and Compensation Scheme Policy is in operation for Council, Committee and Panel members. As part of the Compensation Scheme, an agreement is in place between GTC Scotland and the Convention of Scottish Local Authorities (COSLA) 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 professional learning events.

Travel and subsistence wholly represent the cost of reimbursing Council, Committee and Panel Members for expenses incurred by them in attending meetings. During the year 30 members (2017-18: 26 members) made travel and subsistence claims.

8. Staff Costs

	2019 £'000	Restated 2018 £'000
Wages and salaries	2,170	2,010
Social security costs	213	204
Employers pension contribution	376	366
Staff salary costs	2,759	2,580
Realised pension movement	603	330
Temporary staff	142	154
Total staff costs	3,504	3,064

The average number of persons employed by GTC Scotland during the year was 66 (2017-18: 62), of which 16 were part-time (2017-18: 16). During the year there were on average 60 full time equivalent employees (2017-18: 56).

The Key Management Personnel include the Members of the GTC Scotland Council and its Corporate Management Team. **(See reference and admin details on page 30).**

No Council members received any remuneration from GTC Scotland in the year ended 31 March 2019 (2017-18: nil). The total amount of employee pay and benefits paid to the Corporate Management Team in the year was £361,803 (2017-18: £503,861). The Corporate Management Team's salary progression is subject to annual performance review.

Chief Executive's Remuneration

	2019 £'000	2018 £'000
Salary	105	99
Employer's Pension Contributions	20	19
Total remuneration	125	118

Employees receiving benefits, excluding pension costs, of more than £60,000

	2019 Number	2018 Number
Banding		
£60k-£69k	-	-
£70k-£79k	2	3
£80k-£89k	-	-
£90k-£99k	-	1
£100k-£109k	1	-
Total	3	4

Three higher paid staff accrued retirement benefits under a defined benefit scheme (2017-18: 5).

A Director resigned with effect from 16 February 2018 and received payment in lieu of notice equivalent to 6 months' salary in line with contractual obligations. A termination payment of £5,000 was made to the same Director. This resulted in a total payment in 2017-18 of annual salary plus payment in lieu of notice between £110,000 - £119,999 for this employee.

9. Intangible Assets

	Software £'000	Website £'000	Total £'000
Cost			
At 1 April 2018			
Reclassification from tangible assets (note 10)	17	703	720
Additions	42	98	140
Disposals	(4)	(6)	(10)
At 31 March 2019	55	795	850
Depreciation			
At 1 April 2018			
Reclassification from tangible assets (note 10)	17	552	569
Charge for the year	-	97	97
Disposals	(4)	(6)	(10)
At 31 March 2019	13	643	656
Net book value			
At 31 March 2019	42	152	194
At 31 March 2018	-	-	-

Software and website assets have been reclassified from tangible to intangible fixed assets during the year. Balances relating to software were previously disclosed within the Office Furniture and Computer Equipment category of fixed assets. Balances relating to the website were in a category of their own.

10. Tangible Assets

	Heritable Property £'000	Office Furniture Computer Equipment £'000	Website £'000	Office Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Cost						
At 1 April 2018	3,318	395	676	-	-	4,389
Reclassification	-	(351)	-	67	284	-
Reclassification to intangible assets (note 9)	-	(44)	(676)	-	-	(720)
Additions	39	-	-	53	-	92
Disposals	-	-	-	(7)	(86)	(93)
At 31 March 2019	3,357	-	-	113	198	3,668
Depreciation						
At 1 April 2018	347	280	552	-	-	1,179
Reclassification	-	(263)	-	39	224	-
Reclassification to intangible assets (note 9)	-	(17)	(552)	-	-	(569)
Charge for the year	67	-	-	17	43	127
Disposals	-	-	-	(7)	(86)	(93)
At 31 March 2019	414	-	-	49	181	644
Net book value						
At 31 March 2019	2,943	-	-	64	17	3,024
At 31 March 2018	2,971	115	124	-	-	3,210

11. Debtors

	2019 £'000	2018 £'000
Trade debtors	-	97
Other debtors	1	-
Prepayments and accrued income	184	63
Total	185	160

12. Cash at bank and in hand

	2019 £'000	2018 £'000
Short term deposits	4,288	3,712
Cash at bank and in hand	29	58
Total	4,317	3,770

13. Creditors

	2019 £'000	2018 £'000
Trade creditors	-	88
Other creditors	6	2
Accruals	321	289
Total	327	379

14. Provisions

	Pension £'000	Legal Costs £'000	VAT £'000	Total £'000
Provision at 1 April 2018	207	18	-	225
Amounts used during year	(16)	(9)	-	(25)
Amounts released during year	(21)	(9)	-	(30)
Amounts provided for during year	-	-	85	85
Unwinding of discount	6	-	-	6
Provision at 31 March 2019	176	-	85	261

The pension provision relates to the future obligations to former members of staff. The provision is based on a calculation as at 31 March 2019 using information relating to each recipient. Date of birth, gender and any entitlements of a spouse are taken into account. A discount rate of 2.4% was used as advised by Hymans Robertson. The provision is released as payments are made to each recipient.

The provision for legal costs relates to an FtT case which was resolved in July 2018. The balance of the provision was released as it was no longer required.

During 2018-19, GTC Scotland's taxable income breached HMRC's VAT registration threshold which places a requirement on GTC Scotland to register for VAT. On further investigation, it appears that the threshold has also been breached in prior years. A provision has therefore been made for the estimated VAT liability due to HMRC whilst work continues to determine the effective date of registration.

15. Pensions

Council participates in two pension schemes. Six employees contributed to the Scottish Teachers' Superannuation Scheme (STSS) during the year (2017-18: 2). The employee contributions ranged from 10.4% to 11.5% (2017-18: 10.4% to 11.5%) for employees and 17.2% (2017-18: 17.2%) for employers. The employers' contribution rate is set to increase to 23% from 1 September 2019 to 31 March 2023.

The STSS is a defined benefit 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. Council therefore accounts for these pension costs as if it were a defined contribution scheme.

Employees of Council participate principally in the Strathclyde Pension Fund (SPF), 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. Current and past service costs 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 Council. Employees contribute between 5.5% and 9.8% of their salary. Employers' contributions were 19.3% for 2018-19 (2017-18: 19.3%).



Unfunded early retirement pension enhancements for which 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 2020 will be approximately £362,000.

A formal valuation of the SPF was carried out as at 31 March 2017 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 31 March 2017, 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 and Ireland.

The pension liability included in these financial statements includes the effect of the McCloud judgement.

The principal assumptions used as at 31 March 2019 were as follows:

	2019 % per annum	2018 % per annum
Inflation / Pension increase rate	2.5%	2.4%
Salary increases	3.7%	3.6%
Discount rate	2.4%	2.7%



The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2019. 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:

		2019 Years	2018 Years
Current pensioners	Males	21.4	21.4
	Females	23.7	23.7
Future pensioners	Males	23.4	23.4
	Females	25.8	25.8

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

	Split of assets 2019	Split of assets 2018
Equities	64%	70%
Bonds	24%	18%
Property	10%	11%
Cash	2%	1%

Balance Sheet Analysis

	2019 £'000	2018 £'000
Fair Value of Employer Assets (A)	12,699	11,747
Present Value of Funded Liabilities (B)	(16,976)	(14,310)
Present Value of Unfunded Obligations (B)	(42)	(78)
Net Liability in the Balance Sheet	(4,319)	(2,641)

A: Reconciliation of Fair Value of Employer Assets

	2019 £'000	2018 £'000
Opening Fair Value of Scheme Assets	11,747	10,348
Expected Return on Scheme Assets	320	272
Actuarial Gains	386	874
Contributions by Employer	330	342
Contributions by Participants	132	124
Estimated Benefits Paid (Net of Transfer)	(216)	(213)
Closing Fair Value of Scheme Assets	12,699	11,747

B: Reconciliation of Defined Benefit Obligation

	2019 £'000	2018 £'000
Opening Defined Benefit Liability	14,388	14,116
Service Cost	732	677
Past Service Cost	203	-
Interest Cost	400	374
Actuarial Losses / (Gains)	1,381	(685)
Estimated Benefits Paid (Net of Transfer)	(216)	(213)
Unfunded Benefits Paid	(2)	(5)
Contributions by Participants	132	124
Closing Defined Benefit Liability	17,018	14,388

Being:		
Funded liability	16,976	14,310
Unfunded obligation	42	78
	17,018	14,388

Statement of Financial Activities analysis

	2019 £'000	2018 £'000
Opening Deficit	(2,641)	(3,768)
Current Service Cost	(732)	(677)
Past Service Cost	(203)	-
Employer's Contributions	330	342
Contributors Unfunded Benefits	2	5
Interest Cost	(400)	(374)
Expected Return on Employer Assets	320	272
Actuarial (Losses) / Gains	(995)	1,559
Closing Deficit	(4,319)	(2,641)

	2019 £'000	2018 £'000
Actual Return on Scheme Assets	706	1,652

16. Funds and Net Assets of the Charity

Analysis of Funds	As at 31 March 2018 £'000	Adjustments £'000	Restated As at 31 March 2018 £'000	Income £'000	Expenditure £'000	Recognised Gains / (Losses) £'000	Transfer between Reserves £'000	As at 31 March 2019 £'000
George D Gray CBE MA Award	-	15	15	-	(1)	-	-	14
SCEL Legacy Fund	-	-	-	75	-	-	-	75
Total restricted reserves	-	15	15	75	(1)	-	-	89
Accumulated unrestricted reserves	5,158	-	5,158	5,814	(5,975)	-	705	5,702
Revaluation reserve	1,363	-	1,363	-	-	-	(22)	1,341
Defined benefit pension reserve	(2,641)	-	(2,641)	-	-	(995)	(683)	(4,319)
Total unrestricted reserves	3,880	-	3,880	5,814	(5,975)	(995)	-	2,724
Total funds of the charity	3,880	15	3,895	5,889	(5,976)	(995)	-	2,813

The George D Gray CBE MA Award is an annual award for the best undergraduate thesis or enquiry in initial teacher education (ITE) in Scotland. George D Gray CBE MA was the first Registrar of GTC Scotland and when he died, a trust fund was set up by his widow, Dr Ethel Gray CBE, as a memorial to her husband and as a means of encouraging high quality research by undergraduates.

The Scottish College for Educational Leadership (SCEL) Legacy Fund is a new bursary scheme to support teaching practitioners to engage in research. The funding is available as a legacy of SCEL which has become part of Education Scotland. Funding allocations will be assessed by the SCEL selection committee on an individual basis with up to £2,000 available per application.

Net Assets	Fixed Assets £'000	Cash £'000	Other net current liabilities £'000	Provisions £'000	Total £'000
Restricted reserves	-	89	-	-	89
Unrestricted reserves	1,877	4,228	(142)	(261)	5,702
Revaluation reserve	1,341	-	-	-	1,341
Defined benefit pension reserve	-	-	-	(4,319)	(4,319)
Total funds at 31 March 2019	3,218	4,317	(142)	(4,580)	2,813
Restricted reserves	-	15	-	-	15
Unrestricted reserves	1,847	3,755	(219)	(225)	5,158
Revaluation reserve	1,363	-	-	-	1,363
Defined benefit pension reserve	-	-	-	(2,641)	(2,641)
Total funds at 31 March 2018	3,210	3,770	(219)	(2,866)	3,895

17. Financial Assets and Liabilities

	2019 £'000	2018 £'000
Financial assets at amortised cost	4,360	3,877
Financial liabilities at amortised cost	(327)	(394)
Total	4,033	3,483

Financial assets and liabilities include all current assets and liabilities with the exception of prepayments.

18. Operating Leases

Lease payments recognised as an expense in the year are £6,916 (2017-18: £3,312). Future minimum lease payments under non-cancellable operating leases for each of the following periods are:

	2019 £'000	2018 £'000
Equipment		
Not later than 1 year	7	7
Later than 1 year and not later than 5 years	20	26
Later than 5 years	-	-
Total	27	33

19. Contingent Liabilities

During the year, GTC Scotland lodged an intervention in an Employment Appeal Tribunal (EAT) relating to a Registrant. The amount of any potential liability is not disclosed as it would be seriously prejudiced.

20. Capital Commitments

GTC Scotland had future capital commitments amounting to £19,000 (2017-18: £135,000). For the year 2019-20 Council recognises there may be possible asset purchases amounting to £680,000 (2017-18: £230,000 for the year 2018-19) which have been budgeted for but not yet committed.

21. Indemnity Insurance

GTC Scotland paid £14,567 (2017-18: £13,216) for professional indemnity insurance during the year ended 31 March 2019.

22. 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 7.

23. Post Balance Sheet Events

There are no material post balance sheet events that require to be adjusted in the financial statements or to be disclosed.

24. Reconciliation of Net (Expenditure) / Income to Net Cash Flow from Operating Activities

	2019 £'000	Restated 2018 £'000
Net (Expenditure) / Income for the reporting period	(87)	16
Adjusted for:		
Depreciation and amortisation	224	254
Interest (received)	(18)	(25)
Donations (received) / paid	(74)	1
(Increase) / decrease in debtors	(25)	15
(Decrease) / increase in creditors	(70)	40
Increase / (decrease) in provisions	36	(41)
Realised pension movement	603	330
Defined benefit interest cost	80	102
Cash inflow from operating activities	669	692



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