

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

COMPANY REGISTRATION NUMBER: SC108565
CHARITY NUMBER: SC023930

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

COMPANY INFORMATION

Trustees	Peter Marsh Malcolm Robert Cunning Angus Campbell Millar (Chair) Francis Paul Scally Gerry Milne Nicola Harmon Gary Hay Rhiannon Spear Laura Doherty	
Secretary	Gordon Laidlaw (acting)	
Senior management team	Gary Hay Tommy Docherty Gordon Laidlaw (acting) Zoe Welsh	
Registered office	94 Duke Street Glasgow G4 0UW	
Charity number	SC023930	
Company number	SC108565	
Auditor	Scott-Moncrieff Chartered Accountants 25 Bothwell Street Glasgow G2 6NL	
Banker	Bank of Scotland Argyle Street Glasgow G2 8BU	
Solicitors	Harper Macleod 45 Gordon Street Glasgow G1 3PE	Anderson Strathern George House 50 George Square Glasgow G2 1EH

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONTENTS

	Page
Report of the Trustees (incorporating the Strategic Report)	1 - 24
Independent Auditor's Report	25 – 27
Consolidated Statement of Financial Activities (including an Income and Expenditure Account)	28
Charity Statement of Financial Activities (including an Income and Expenditure Account)	29
Consolidated Statement of Financial Position	30
Charity Statement of Financial Position	31
Consolidated Statement of Cash Flows	32
Charity Statement of Cashflows	33
Notes to the Financial Statements	34 - 65

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees are pleased to present their report together with the financial statements of Jobs and Business Glasgow (JBG) for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 within the Notes to the Financial Statements and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) and the Statement of Recommended Practice – "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (SORP).

Objectives and activities

The purposes of JBG as set out in its Articles of Association include:

- To relieve unemployment particularly amongst residents of the area served by Glasgow City Council, for the public benefit in such ways as may be thought fit, including assistance to find employment;
- To advance education particularly amongst residents of the area served by Glasgow City Council, including the provision of training in skills of all kinds (particularly such skills as will assist the participants in obtaining paid employment);
- To relieve and/or prevent poverty particularly amongst residents of the area served by Glasgow City Council;
- To relieve those in need particularly amongst residents of the area served by Glasgow City Council, by reason of age, ill-health, disability, financial hardship, alcohol or drugs dependency, or other disadvantage; and
- To advance community development and regeneration particularly amongst residents of the area served by Glasgow City Council.

JBG's mission is described as:

"To work in partnership to create a more resilient business base and support residents to compete for employment opportunities in and beyond the city"

To deliver on this mission, two strategic goals were identified. These are:

- To improve the competitiveness of residents and help to increase Glasgow's employment rate – reducing the gap with Scotland and better performing UK cities
- To improve business resilience and increase the number of sustainable small businesses in Glasgow, moving towards levels achieved by better performing cities

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Objectives

In striving to achieve this vision, the overall service activity delivered by JBG is designed to meet the following objectives:

Objective 1: To assist people to meet the skills and qualities required by employers in and beyond Glasgow;

Objective 2: To engage with and support Glasgow unemployed residents to sustain employment;

Objective 3: To work with others to increase the number of sustainable business start ups through a more effective business support service for all business types;

Objective 4: To work with others to improve resilience and enable more of Glasgow's existing small businesses and social enterprises to sustain and grow; and

Objective 5: To maximise the benefits for Glasgow residents, businesses and social enterprises from developments and investments in the city.

In order to ensure the longer term strategy is achieved the Board agrees an annual budget for the new financial year and the KPI's which require to be met. JBG recognises this cannot be done in isolation and is therefore committed to partnership working with a wide range of agencies in order to maximise the impact that can be achieved for local communities.

Strategic Report

Criteria used to assess success

In the 2018/19 financial year, the main criteria we used to assess success included:

- Customer/Client Surveys;
- Funders/Partners feedback;
- Formal independent project evaluations, usually carried out by external advisers/consultants;
- Client case studies;
- Satisfactory Internal and External Audit Reports;
- Investors in People accreditation;
- Attendance levels; and
- Key Performance Indicators.

Significant activities undertaken

In 2018/19, the main projects which JBG delivered are shown in the table below.

Project	Description of Service
Core Employability	Engagement and advice and guidance to clients at all stages of employability pipeline. Self-referrals in addition to referrals from partner organisations e.g. Jobcentre Plus.
Core Learning	Delivery of Skills Development Scotland contracts; Employability Fund, Modern Apprenticeships.
Core Enterprise	Business support for start-up and micro-businesses, both social and business enterprises.
Work Life Glasgow	Wide ranging and intensive support for unemployed clients facing a number of barriers to finding work. Programme has an emphasis on mental wellbeing and is part funded by European Social Fund.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report (continued)

Significant activities undertaken (continued)

Environmental Services	Supported Employment Programme to deliver assisted garden maintenance to vulnerable residents. Created 126 employment places with 68% moving on to permanent employment.
Glasgow Guarantee	In Work Support for young people who have secured apprenticeships through GCC Glasgow Guarantee.
Working Matters	Part of City Deal. Target clients are those who are long term unemployed and in receipt health related benefits such as Employment Support Allowance.
Clyde Gateway	Dedicated support to actively engage with residents of Clyde Gateway postcodes.

Grant making activities

The JBG Business Enterprise team has the capacity to award a grant of up to £250 to new start businesses that have been trading up to 6 months and who meet the eligibility criteria shown below:

- Those in the most deprived communities as represented by the worst 15% SIMD;
- Those locating their new start up business into a 15% SIMD deprived community;
- The long term unemployed (more than 6 months) and those on Incapacity Benefit, lone parents;
- Those in low income (suffering in work poverty) ie less than Glasgow Living Wage;
- The over 50's on benefit and those with little opportunity of securing paid employment eg. ex-offenders and those with little or no qualifications;
- Students - those within 6 months of completing their course or within 6 months of graduation; and
- Veterans.

There are various restrictions to the funding which are –

- New Enterprise Allowance Participants (funding available up to £150 per participant); and
- Businesses in the politics, religion, gambling or multi-level marketing/pyramid selling industries.

The grant can be used for purchasing either IT hardware or consumables for the business and can also be used to meet legitimate start up costs such as purchase of insurance, rent or operating costs incurred at the start up phase.

The grant applicant submits an application and business plan which is then submitted to a funding panel. After the funding panel has met, the applicant is informed by letter as to whether they have been successful or not.

Strategic Report (continued)

Other activities

In addition to the direct service delivery activities during last year, the company continued to focus on developing its childcare and property services.

The main activities in property during 2018/19 were:

- Development of an options appraisal document covering all properties;
- Continued implementation of an office rationalisation programme; and
- Sale – subject to legal and financial conclusion – of property on Gallowgate.

The main activities in childcare during 2018/19 were:

- All of our nurseries have Partnership Status with Glasgow City Council;
- Obtained highly satisfying grades following Care Inspectorate Audits;
- Carried out upgrading works on specified premises; and
- Provided high quality childcare services to 800 parents.

Achievements

Jobs & Business Glasgow remains by some margin the largest provider of Employability advice and guidance in the city, and this remains the cornerstone and key function of the organisation.

Both directly and in partnership with specialist service providers JBG delivers a far-reaching combination of Early Engagement, Intensive Intervention and Support, Work Preparation, Support into work, and Employment Retention and Progression activities, all of which is aimed at assisting those Glasgow residents who are facing a number of barriers to compete for, and thrive in, the world of work.

Our delivery model is now designed to ensure that we are as close and accessible as we can be to local communities. For many of our clients, initial engagement may be the most difficult step on a long journey. During the 2018/19 operating year we have continued to develop the Service Delivery Plan we began rolling out in 2016. We now deliver services from as many as 51 locations throughout the city with an aim of being within 15 minutes' walk of any potential client. We have carefully selected our delivery locations to provide the best possible location within each neighbourhood with the aim of delivering the most accessible buildings and minimising threshold anxiety.

In order to address these barriers we deliver an individual package of support to identify skills, experience and ambitions and remove barriers to participation and progression (debt and financial issues, childcare, lack of skills and experience). We continue to offer a package of support that has an emphasis on the physical and mental benefits that employment and training can provide. Our aim is not only to assist people into work, but also to improve their, and their loved ones, financial, physical and mental wellbeing.

In 2018/19 JBG staff recorded 4,229 engagements with unemployed residents and assisted 742 into employment.

Strategic Report (continued)

Achievements (continued)

As well as our core citywide employability services, JBG also manages a number of projects aimed at providing specialised services to specific client groups:

- Working Matters is the key employability objective of the Glasgow City Region City Deal. This programme provides an intensive and integrated package of employability support to individuals across the Clyde Valley in receipt of Employment Support Allowance (ESA). JBG delivers this programme on behalf of Glasgow City Council;
- In October 2018 JBG commenced delivery of Work Life Glasgow, a new flagship employability programme co-funded by European Social Fund aimed at offering a wide range of support to unemployed clients facing a number of barriers to securing employment. The programme takes a holistic approach to tackling social exclusion, and offers additional support through Occupational Therapy and Mindfulness;
- JBG delivered Skills Development Scotland's Employability Fund, offering sector-led vocational training and work placements;
- As an accredited Modern Apprenticeship provider, JBG recruited and managed apprentices both in-house and on behalf of partner organisations;
- JBG's Transitional Employment programmes gave 126 unemployed Glasgow residents the opportunity to gain valuable work experience and vocational qualifications on an 'employed basis'. 62% of all participants progressed into further employment; and
- JBG created a new Winter Environmental Programme that employed 35 clients over the winter months delivering a number of improvements to open spaces, pathways and cemeteries across the city, particularly in Thriving Places neighbourhoods. JBG also launched a new Transitional Employment programme in partnership with GCC Financial Services and Glasgow Life, aimed at tackling the challenges that were anticipated from the roll-out of Universal Credit across the city. JBG recruited six unemployed clients and provided training to equip them as Client Support Assistants, whose role was to alleviate the stress experienced by members of the public when making a claim for Universal Credit in the city's libraries and public buildings. Funding was secured from GCC for another year; five of the Client Support Assistants progressed into further employment.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report (continued)

Achievements (continued)

The section below describes the achievements we have made against each of the key success criteria we identified in the Objectives and Activities section of this report:

Key Performance Indicators – Progress April 1 2018 - March 31 2019								
KEY PERFORMANCE INDICATOR	Target 2018-19	Anticipated to Date	Actual to Date			Variance from Anticipated to Date	% achieved actual / anticipated at assessment date	
1	Number of people provided with employ't related advice	5,920	5,920	4,229			-1,691	-29%
1a	New and continuing client profile			Number	%			
			Registrations and Re-engagements	1,787	42%			
			Continuing	2,442	58%			
1b	Age and Gender Profile		Age range	Male	Female	Other		
			13-17	121	54	0		
			18-24	499	220	1		
			25-29	283	130	1		
			30-39	523	356	0		
			40-45	280	186	0		
			46-54	556	308	1		
			55-64	456	243	2		
			65+	7	2	0		
All ages	2725	1499	5					
2	Scottish Index of Multiple Deprivation residents engaged	3,848	3,848	2,884			-964	-25%
2a	Area and EDA Profile		Area	Total number of clients supported	Bottom 15% EDA.			
			North East	1,661	75%			
			North West	1,178	63%			
			South	1,390	64%			
			Grand Total	4,229	68%			

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report (continued)

Achievements (continued)

KEY PERFORMANCE INDICATOR		Target 2018-19	Anticipated to Date	Actual to Date	Variance from Anticipated to Date	% achieved actual / anticipated at assessment date
3	Number of people supported to participate in training and personal development activity, achieve a qualification, or undertake further education	1,480	1,480	1,305	-175	-12%
4	Number of people supported into transitional employment	210	105	135	30	29%
5	Number of transitional employment participants progressing into employment	110	55	81	26	47%
6	Number of people supported into employment (all ages)	814	814	505	-309	-38%
7	Number of Glasgow residents who have started a business as a result of support from JBG	140	140	156	16	11%
8	Number of jobs created through Business Start-ups	160	160	157	-3	-2%
9	Number of new businesses in receipt of aftercare	260	260	252	-8	-3%
10	Number of social economy initiatives supported	140	140	80	-60	-43%
11	Number of new Enterprises supported through incubator space	10	10	29	19	190%
12	Total jobs	1,064	1,009	742	-267	-26%

Positive factors

Some of the positive factors that affected the achievements of our objectives and targets in the last financial year continue to be:

- The quality and professionalism of our staff;
- The resilience of the organisation to restructure its service delivery and realign our services to be more community focussed;
- The positive reputation of JBG amongst the majority of stakeholders and partners; and
- JBG's emphasis on employer-led opportunities.

Strategic Report (continued)

Negative factors

Some of the negative factors that affected the achievements of our objectives and KPIs in the last financial year include:

- The continued loss of a significant number of experienced staff and some specific skill sets;
- The loss of significant levels of funding;
- The Working Matters City Deal employability project has seen JBG dedicate considerable staff resources to providing intensive support to a relatively small caseload of clients furthest from the labour market;
- The running down of the Working Matters programme – which ended in March 2019 – affected both that programme’s outputs and those of wider employability;
- Work Life Glasgow was delayed which meant that delivery did not commence until October;
- Considerable time was spent on off-site staff training for Work Life Glasgow;
- Budgetary constraints and lack of staff numbers.

Customer/client surveys

In June 2018, JBG contacted all clients currently engaging with our services and invited them to complete a survey on those services. 91% of customers agreed that they were satisfied or very satisfied with JBG services and 92% of customers specified that they would recommend JBG services. Only a very small number of the comments received suggested areas for improvement and we have acted in 2018/19 to improve these areas.

JBG also issued a staff survey in April 2018 to all 242 members of staff. 180 members of staff completed the 2018 survey, a return rate of 74%. The responses to the survey highlighted that 91% of employees enjoy the work they do and 87% of employees agreed they enjoyed working for JBG. There were however, some areas of improvement which were identified and we developed an action plan to improve these areas. A report on the findings of the survey and the Action Plan was issued to all staff.

Funders/partners feedback

Over the course of the year we have been subject to audits from Glasgow City Council, Scottish Qualifications Authority (SQA) and Skills Development Scotland (SDS). All audits were passed with positive comments on our performance being received in all cases.

Project evaluations

We continue to collect positive client case studies for every project to demonstrate clients’ progress and to demonstrate JBG’s role in their journey.

Strategic Report (continued)

Satisfactory internal and external audit reports

We continue to work closely with both our Internal and External Auditors to ensure that we are on a journey of continuous improvement in all aspects of our service delivery. A clean audit opinion from our External Auditors and ongoing satisfactory reports from our Internal Auditors continues to build confidence in our systems of Internal Control. A review of Systems and Controls by Internal Audit has shown significant progress and we are committed to continue this progress. In March 2019 GCC Internal Audit declared that *“JBG has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. Based on the audit work undertaken and the assurances provided by the Managing Director, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2018/19 within JBG”*.

Investors in People Accreditation

In January 2019 JBG undertook a review of its IIP accreditation carried out by Remarkable (formerly Investors in People Scotland). This involved interviews with staff from across the organisation. As a result the Company achieved reaccreditation.

Attendance

JBG employee absence rate for 2018/19 was 5.19%, an increase on the previous year but remaining within GCC targets.

Challenges

The organisation has also produced a balanced budget for 2018/19 and 2019/20. This is the first time this has been achieved for a number of years. However The Glasgow City Council review of its ALEOs aims to evaluate the current ALEO structure and determine whether it continues to be viable by assessing levels of duplication within the structure. JBG will be expected to demonstrate that it is improving its services for the people that use them, providing value for money and achieving its intended objectives.

The conclusion of the fully funded Working Matters Project has led to project staff salaries being drawn fully or partially from GCC Service Agreement funding – until March 19 this was not the case, therefore a greater proportion of GCC Service Agreement funding will apply to Employability services.

Operating and financial overview

The charitable group's net surplus for the year to March 2019 was £2,523,229. This compares to a net surplus of £1,145,035 for the year to March 2018. This is an increase surplus of £1,378,194.

The charitable group's total income for the year to March 2019 was £12,317,277. This compares to £11,730,075 for the year to March 2018. This is an increase of £587,202.

The charitable group's total expenditure for the year to March 2019 was £10,783,048. This compares to £11,552,040 for the year to March 2018. This is a reduction of £768,992.

In cash flow terms, the bank account showed an in-funds position of £3,467,586 at the beginning of the year and an in-funds position of £4,689,137 at the end of the year. The group therefore generated a positive cashflow during the year of £1,221,551.

Strategic Report (continued)

Investment policy

The Trustees have, over the life of the company adopted a policy of providing support to projects and developments within the Glasgow city area. In particular, the company has prudently invested in a number of commercial property developments as a way of furthering their charitable objectives. Whilst this has provided an opportunity for an earned income stream to complement the company's other sources of funding, the overall aim of these investments has been to assist in the economic regeneration of the city by creating affordable office space and hence attracting SMEs into the area to ultimately create and sustain employment.

Impact of the pension deficit

As at 31 March 2019, JBG had 3 staff in the Strathclyde Pension Fund, a multi-employer defined benefit scheme. The remainder of the JBG staff are in defined contribution schemes, either the Zurich scheme or NEST, a government backed scheme. Currently, the Board have made the decision that no further staff should be allowed to join the Strathclyde Pension Scheme. The deficit as at 31 March 2019 of the Strathclyde Pension Fund is £277,000 (2018: £106,000). The Trustees will be monitoring this situation very carefully.

Reserves policy

At 31 March 2019, the total funds the group held were £17.2m (2018: £14.7m). Of these, £35k (2018: £69k) were restricted and were not available for the general purposes of the charity. £5.8m (2018: £5.9m) of the total funds were designated, including £5.2m (2018: £5.5m) representing the net book value of the group's tangible fixed assets. The group also has a negative pension reserve of £277,000 (2018: 106,000).

Of the total funds, £13.6m (2018: £12.7m) can only be realised by disposing of tangible fixed assets and investment properties.

This leaves the group as at 31 March 2019 holding £3.3m (2018: £1.6m) of general funds, after making allowances for restricted funds, designated funds, the pension reserve and the carrying amount of functional assets which JBG considers to represent a commitment of the reserves it holds.

The Trustees have examined the group's requirements for reserves in the light of the main risks to the organisation. They previously established a policy whereby unrestricted general funds not committed should be approximately three months of total expenditure. Based on the approved budget for 2019/20, three months' expenditure equates to £3.0m. This compares to unrestricted general funds of £3.3m which is higher. This is consistent with our objective to slowly and steadily build our unrestricted general funds to a more acceptable level to ensure we could deal with any future cuts in funding.

Policy on creditor payments

The group's policy for the payment of suppliers for the following financial year is described below.

The group's standard contractual terms and conditions state a policy of paying supplier invoices within 30 days after the receipt of a valid invoice.

Strategic Report (continued)

Policy on creditor payments (continued)

JBG has adopted a formal accounts payable policy and within this policy it outlines our commitment to meeting our contractual terms and conditions by running two creditor payments monthly. A formal review process is in place to ensure that all invoices falling due for payment are included in these payment runs. Our procurement policy differentiates our suppliers into the following categories:

- Low tender contracts where we will contract with suppliers individually. Contractors will be advised individually that our standard payment terms are 30 days from the receipt of a valid invoice.
- Contracts procured through Public Contracts Scotland (PCS). Our terms and conditions are set out on the PCS portal.
- Contracts procured through an existing local authority framework agreement. The terms and conditions will have been agreed by the contracting authority. JBG will therefore comply with the terms and conditions previously agreed.
- Utility Companies. It is not our current practice to negotiate on our payment terms however, our policy allows flexibility to comply with terms and conditions set by utility companies. The payment terms for our utility suppliers range from 7-14 days.

Creditor days

The total amount invoiced by suppliers during the year was £3,516k, with trade creditors being owed £215k at the end of the year. Creditor days equate to 16 days. This is consistent with our standard policy of up to 30 days.

Risk management

Procedures have been established and are reviewed in the course of the year, to identify, manage and mitigate operational and strategic risks. The Information and Database Manager is responsible for co-ordinating the company's risk strategy and risk register. Each senior manager is responsible for risk management in their respective areas. The JBG board closely monitors the top 5 risks. The following systems and procedures to manage risk have been established:

- Regular Board meetings (currently 5 per annum) are held by the Trustees and Senior Officials of the charity;
- The Finance and Audit Committee also oversees the risk register;
- Monthly management accounts, incorporating year to date actuals and projected year-end outturns are prepared and reviewed against budget. These are discussed with the Managing Director and the appropriate Senior Manager and actions plans are agreed and monitored. These are also submitted at a summarised level to the Board;
- Internal controls are in place to safeguard the company's assets; and
- The top 5 risks are considered by the SMT on a monthly basis with mitigating actions agreed, following which the top 5 risks are flagged and reported to the Board.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report (continued)

Risk register

The JBG risk register reflects all current risks that the charity faces and how these are being mitigated. The principal risks and uncertainties that may seriously affect the performance, future prospects or reputation of JBG are described in the table below. (D.O.T. -Direction of Travel).

Table 1: JBG Risk Register						
Description of Risk	Residual Risk				Owner	Mitigation
	Impact	Probab- ility	Score (i*p)	D.O.T		
<p>RISK: Failure of JBG to present a coherent business plan and strategy whilst the GCC ALEO review of JBG is ongoing.</p> <p>CAUSE: The GCC ALEO review aims to evaluate the current ALEO structure and determine whether it continues to be viable by assessing levels of duplication within the structure, and whether JBG is improving its services for the people that use them, providing value for money and achieving its intended objectives. It is possible that the outcome of this assessment may be influenced by GCC's interpretation and understanding of JBGs business model.</p> <p>EFFECT: JBG will experience significant changes to its financial and business model.</p>	5	3	15	New	SMT	<p>Share with GCC the options paper for JBG model based on each strand of the business; implement efficiency savings exercises across the business; explore further sharing of resources through partnership working; laisse with GCC Legal Services and DRS to keep informed of all internal changes and developments; play active role in informing the GCC review.</p>
<p>RISK: Failure to achieve a balanced budget in next financial year.</p> <p>CAUSE: Loss of IGF project funding, reduction in SDS project funding, and closure of fully funded Working Matters Project leading to project staff salaries being drawn fully or partially from GCC Service Agreement funding; lower than anticipated income generated by Childcare and Property functions due to lower than forecast occupancy levels at childcare facilities and commercial properties.</p> <p>EFFECT: Overspend against core budgets.</p>	3	4	12	Static	Gordon Laidlaw	<p>Options paper for JBG model based on each strand of the business; implement efficiency savings exercises across the business; explore further sharing of resources through partnership working; specific funding to be sought for childcare function.</p>

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

Strategic Report (continued)

Risk register (continued)

Description of Risk	Residual Risk				Owner	Mitigation
	Impact	Probab- ility	Score (i*p)	D.O.T		
RISK: Potential to be taken to an employment tribunal on grounds of equal pay (gender). CAUSE: High profile equal pay settlements involving a number of Scotland's local authorities. EFFECT: Reputational and financial damage.	2	4	8	Static	SMT	Discussions with GCC legal services - considered originally low risk but we have to monitor case law ensuring we have the ability to defend on basis of material factors, to defend an equal pay claim.
RISK: There is a risk that JBG currently possess insufficient back office and project delivery resources to develop funding proposals, arrange partnership working, and deliver activity in line with the expectations of the respective funders. CAUSE: A reduction in the number of staff across all functions and subsequent difficult in replacing these staff has reduced our capacity to develop funding proposals and deliver funded projects. EFFECT: Reduction in income.	2	4	8	Static	SMT	Manage probability - Where possible, liaise closely with funding bodies to assist in proposal development; explore alternative staffing arrangements; engage proactively with partner organisations around delivery arrangements.
RISK: Loss or inappropriate disclosure of sensitive information. CAUSE: All areas of the business generate physical and electronic records of a sensitive nature. Loss or inappropriate disclosure of the information contained in these records can occur at any time as a result of human error despite all reasonable safeguards being in place. EFFECT: Reputational damage arising from media exposure; threat of financial penalties applied by Information Commissioner's Office.	4	2	8	Static	Gary Hay	Ongoing staff training, e.g. GOAL Info Sec Courses, and awareness raising exercises, e.g. a standing item for discussion at team meetings; periodic reviews of information security measures at all delivery and corporate locations; clear and accessible Information Security guidance is in place and kept up to date and reviewed by SMT.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report (continued)

Summary of future plans

There are clearly some significant challenges to address and overcome in the forthcoming year:

- JBG's community-based business model, where advisers offer services from an increased number of community facilities such as libraries and RSL offices, aligned with a reduced number of front line advisers;
- The loss of knowledge and expertise;
- The challenging economic outlook particularly in some key economic sectors will lead to additional demands on JBG services;
- The increasingly competitive funding environment; and
- The unknown impact of Glasgow City Council's business review of JBG.

JBG's objectives for the forthcoming year are:

- To meet and, if possible, exceed our KPIs;
- To seek new partnerships and new ways of delivering services more efficiently and effectively;
- To continue to consolidate our excellent working relationships with key stakeholders;
- To continue to review and rationalise our delivery and commercial property portfolios; and
- To continue to improve the financial performance of our childcare service.

Calculations to arrive at the targets for 2019/20 below are based on: an assessment of current resources; the previous performance of current resources; targets for ongoing, externally-funded projects, such as Working Matters Successor programme and Work Life Glasgow; consultation with project managers; and recognition that our services need to complement the ESF funded employability projects that were initiated across Glasgow in 2017.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

Strategic Report (continued)

Summary of future plans

KPI Performance Summary – 1 April 2019 – 31 March 2020.

Table 1 summarises our proposed **Employability and Skills** targets and outputs for the period 1 April, 2019 – 31 March 2020.

Employment and Skills Key Performance Indicators – Targets April 1 2019 - March 31 2020		
Theme: Contributing to a thriving economy by increasing the employment rate and number of sustainable small businesses in Glasgow		
Key Performance Indicator		Target 2019-20
1	Number of Glasgow residents supported into employment or self-employment	833
1a	Number supported into transitional employment	100
1b	Number supported into employment	633
2	Number of Glasgow residents supported to become more competitive in the labour market	4,130
2a	Number receiving support to secure employment or enter training or education	3,810
2a	Number supported to participate in training and personal development activity, achieve a qualification, or undertake further education	1,032
3	Number of Glasgow businesses supported to sustain and grow	440
3e	Number offering job opportunities, job tasters and volunteering placements to JBG clients	60

Strategic Report (continued)

Summary of future plans (continued)

A sub-set of key performance figures will be reported to the JBG Board a minimum twice per operating year. These figures will provide more detail on key measures including age, gender and performance per individual funded employability programme.

Business and Enterprise Key Performance Indicators – Targets April 1 2019 - March 31 2020		
Theme: Contributing to a thriving economy by increasing the employment rate and number of sustainable small businesses in Glasgow		
Key Performance Indicator		Target 2019-20
1	Number of Glasgow residents supported into employment or self-employment	833
1c	Number supported into self-employment	160
2	Number of Glasgow residents supported to become more competitive in the labour market	4,130
2b	Number accessing business start-up related advice	320
3	Number of Glasgow businesses supported to sustain and grow	440
3a	Number of social enterprises provided with capacity building support	150
3b	Number of jobs created by supported social enterprises and business start ups	180
3c	Number of SME's supported to access aftercare service	220
3d	Number accessing incubator support	25

A sub-set of key performance figures will be reported to the JBG Board a minimum twice per operating year. These figures will provide more detail on key measures including age, gender and type of support provided per client.

Strategic Report (continued)

Summary of future plans (continued)

Childcare Key Performance Indicators – Targets April 1 2019 – March 31 2020		
Key Performance Indicators		Target 2019-20
1	Number of FTE Occupied Places	287
2	Occupancy levels	69%
3	Performance Against Budget	100%
4	Care Inspectorate Gradings	Minimum rating of 4 and above
5	Parental Participation	5 Events

A sub-set of key performance figures will be reported to the JBG Board a minimum twice per operating year. These figures will provide more detail on key measures including placement fees and available spaces per location.

Property Key Performance Indicators – Targets April 1 2019 – March 31 2020		
Key Performance Indicator		Target 2019-20
1	Occupancy Levels	80%
2	Performance Against Budget	100%
3	Help Desk Completion	95%
4	Tenant Satisfaction Surveys Completed	2
5	Building Statutory Compliance	100%

A sub-set of key performance figures will be reported to the JBG Board a minimum twice per operating year. These figures will provide more detail on key measures including occupancy rates, rental income and unoccupied space per location.

Trustees perspective of the future direction of the charity

The Trustees view is that the work that JBG carries out is important and is crucial for the success of the City of Glasgow. The support we provide is a vital component of the Glasgow Economic Strategy and requires ongoing support to make a real difference to the lives of Glaswegians and the economic prosperity of the city.

Glasgow is in a strong starting position as it is the fastest growing city in the UK with a diverse business and industry base and a highly skilled population. However, unless we encourage more innovation, grow our business base, better link skills with the needs of the local economy and tackle longstanding health issues, the city will not realise its potential.

Strategic Report (continued)

Trustees perspective of the future direction of the charity (continued)

Glasgow's Economic Outputs remained at £19.25bn, and the city has a higher number of its population at working age (70.5%) than the Scottish (64.4%) and UK (62.9%) averages. 46.3% of the workforce are educated to degree level (significantly higher than most UK cities); and the city benefits from a growing financial services sector and a large digital and innovation economy. In addition Glasgow has realised its ambition, set within the Economic Strategy, of increasing the business base in the city by 1,000.

However Glasgow also continues to have a number of significant challenges. Projected population growth remains slow, productivity is low, we have the third lowest economic activity rate in Scotland, long term unemployment is increasing, Glasgow's 5.5% unemployment rate recorded in 2018/19 was higher than the Scottish (4.1%) and UK (4.1%) rates and there are huge endemic health challenges and significant poverty and inequality in parts of the city.

Whilst challenges such as increasing the city's productivity rate remain, most of these indicators show a healthy and growing economy. One of the Council's key policies and commitments is inclusive economic growth, which aims to boost growth, create jobs, tackle poverty and improve the city's health. The Glasgow Partnership for Economic Growth has a strict focus on turning strategy into practical delivery.

However Glasgow also continues to have a number of significant challenges. Our projected population growth is slow, productivity is low, we have the third lowest economic activity rate in Scotland, long term unemployment is increasing, there are huge endemic health challenges and significant poverty and inequality in parts of the city.

Poor health, poverty and inequalities are intrinsically linked to social exclusion and unemployment, and actively addressing these issues is an area where Jobs and Business Glasgow can continue to play a significant role.

The Trustees believe that as a significant contributor to the GCC Economic Strategy, JBG should also be in a strong position to play a major role in delivering elements of the City's inclusive growth agenda, in line with The Council's efforts to review and refresh existing activity across the city in terms of employability and business support. It is more essential than ever that JBG, on a strategic, financial and operational level, is able to respond to challenges and opportunities presented by the Council's Inclusive Growth Agenda.

We are committed to Glasgow and improving the competitiveness of its residents and businesses. In order to ensure JBG is able to demonstrate its policy of continuous improvement, and commitment to delivering best value for money, a wide ranging review and due diligence exercises will be carried out in 2019/20 on all five strategic areas of the JBG business model: Employability Services; Business and Social Enterprise; JBG Childcare Services; JBG Commercial Property inc. PbyJBG; and Corporate Services.

This review is a separate exercise from the Council-led review of JBG, which will be carried out in 2019/20 in line with the City Government's commitment to review the Council family structures, including a wide ranging review of all ALEOs. It is however anticipated that the findings can be used to inform and constructively contribute to the GCC ALEO review.

Strategic Report (continued)

Employee Involvement

The Directors are very keen that employees are systematically provided with information on matters of concern to them. The Managing Director and the Chair of the JBG Board have each carried out area visits to meet with staff and clients, and the Managing Director has made a commitment to ensure that staff are kept fully informed of any developments. An open question and answer session was also held with the Managing Director and Nursery Staff as part of their professional development day. In addition:

- Leadership meetings involving operational and senior managers were substantially increased in regularity. Previously meetings were held quarterly, however in June 2018 this was increased to four-weekly, to focus on key areas of the business such as attendance levels, budgets, funding etc.
- Development sessions are held at least once a year for all staff to focus on key areas of the business such as performance, company values and future KPIs and priorities etc.

The Directors are keen that staff are consulted on a regular basis so that their views can be taken into account in making decisions which will affect them. To this end, during the financial year, the following arrangements were in place:

- JBG has a Joint Consultation and Negotiation Committee (JCNC) which meets quarterly. The group consists of the Managing Director and Senior Management Team as well as representatives from Unite, the Union. The forum enables the Managing Director to update the union reps and full-time official on issues such as staff increments, pay awards, terms and conditions, company pension. The union representatives then discuss and debate these issues within the forum and then ensure union members are updated and consulted on these issues. The regularity of these meeting were increased last year to provide comfort to the Union and its members that they are being kept fully informed, and more timeously;
- An all staff survey is also distributed annually. The returns are completely anonymous and are used to get staff views on a range of issues;
- All staff receive annual performance reviews;
- Where appropriate, staff are given individual performance targets and KPIs which contribute to the overall company targets;
- These arrangements are continually reviewed and developed to ensure they remain fit for purpose

Structure, governance and management

As well as being a charity, JBG is also a private company limited by guarantee, which is owned by its sole member which is Glasgow City Council. Although JBG is an independent charity it works closely with its member and JBG staff attend and take part in joint working groups and forums across all areas, including finance, HR, economic growth and business transformation.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year end (except otherwise noted) were as follows:

Douglas Baillie (resigned 23 April 2018)
 Peter Marsh
 Francis Paul Scally
 Michael Cullen (resigned 4 April 2019)
 Malcolm Robert Cunning
 Angus Campbell Millar
 Annette Christie (resigned 4 April 2019)
 Yvonne Anderson (appointed 23 April 2018, resigned 26 March 2019)
 Gerry Milne (appointed 23 April 2018)
 Nicola Harmon (appointed 17 May 2018)
 Gary Hay (appointed 5 July 2018)
 Laura Doherty (appointed 4 April 2019)
 Rhiannon Spear (appointed 4 April 2019)

Attendance at board meetings

The following table shows the attendance of Board Members at Board meetings during the year. There were 6 board meetings in the period April 2018 to March 2019.

Board Member	26 June 2018	21 Aug 2018	13 Nov 2018	19 Feb 2019	26 Mar 2019	Total Attendance
A Millar	√	√	√	√	√	5/5
M Cullen						0/5
M Cunning	√	√	√	√	√	5/5
F Scally		√				1/5
A Christie	√		√	√	√	4/5
P Marsh	√	√	√	√	√	5/5
N Harmon	√	√	√	√		4/5
G Milne	√	√	√	√	√	5/5
Y Anderson			√			1/5

Board decision making

The Board of JBG has a duty to manage the company and ensure that it carries out the objectives set out in its Memorandum and Articles of Association and complies with the Companies Act 2006 and relevant Charities legislation. Its general responsibilities include:

- giving strategic direction to the company;
- agreeing JBG's business plan and KPIs;
- resolving major policy issues;
- monitoring, reviewing and reporting the general performance of JBG and ensuring its objectives are being achieved;
- agreeing the budget and allocation of finance to these planned activities;
- delegation to subsidiary companies, committees and the Managing Director; and
- deciding on the governance and delegated authority levels of the company.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Membership

There were two resignations for the Independent Directors– Douglas Baillie resigned on 23/4/18 and Yvonne Anderson resigned on 26/03/19.

Martin Booth, Interim Managing Director, resigned on 11/05/18 and Gary Hay was appointed to the post of Managing Director on 21/05/18.

Decision making

The Managing Director is responsible for the day to day administration of JBG and is ultimately responsible to the Board for the control of resources, seeking economy, efficiency and effectiveness in the use of JBG resources and for ensuring that financial considerations are taken into account at all stages of decision-making. In particular, the Managing Director:

- enters into normal business commitments and contracts on behalf of the company;
- develops, negotiates, seeks funding for and delivers projects and programmes within the scope of the general company strategy and operational plan; and
- has responsibility for the Senior Management team.

Senior Management Team

For the financial year we operated with the structure as described in the table below.

Post	Senior Manager	Responsibilities
Acting Head of Finance	Gordon Laidlaw	Finance, company secretarial work.
Head of Employability & Skills	Zoe Welsh	Adult employability, community benefits, company strategy and funding applications
Head of Property, Childcare & Enterprise	Tommy Docherty	Property, Childcare and Business start-up and support, social enterprise start-up support and advice

As discussed above, Gary Hay was appointed to the post of Managing Director on 21/5/18, following the resignation of the Interim Managing Director, Martin Booth on 11/05/2018.

Subsidiary

Property by Jobs & Business Glasgow Ltd (formerly Castlemilk Property Company) is JBG's property trading subsidiary.

In March 2018 the JBG Board approved a motion that membership of the Property by Jobs & Business Glasgow Ltd Board should consist entirely of all existing Trustees of the main Jobs and Business Glasgow charity.

Committees

The JBG Board meets a minimum of five times each year. In addition JBG's Board has two sub committees to manage various aspects of governance and its responsibilities.

Audit & Finance Committee

This committee assists the Board of Directors in fulfilling its responsibilities with regard to:

- the oversight of the company's financial statements, auditing, accounting and related processes;
- the company's system of internal control regarding finance, accounting and financial reporting; and
- the property aspects of the company and subsidiaries.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Committees (continued)

This committee had traditionally met three times a year; however in February 2019 the Committee agreed to a motion from the Managing Director to increase the regularity of the meetings to enhance the Committee's ability to inform and advise the JBG Board. The Committee now meets in advance of every JBG Board meeting, and continues to include standing invitations to both Internal and External Auditors.

The membership of this committee is as follows:

- Peter Marsh (Chair)
- Councillor Angus Millar
- Gerry Milne
- Councillor Malcolm Cunning
- Councillor Laura Doherty (appointed 4th April 2019)

Nominations Committee

This committee makes recommendations to the Board of Directors in relation to the selection of appropriate individuals for appointment as Independent Directors

This committee meets as and when required. The membership of this committee is as follows:

- Councillor Angus Millar (Chair)
- Councillor Malcolm Cunning
- Elaine Galletly, GCC
- Gary Hay

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 7 January 1988 and registered as a charity on 30th June 1995. The company was established under a Memorandum of Association which sets out its objects and powers and it is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £1 each.

Recruitment and appointment of Trustees

Under the terms of clause 16 of the articles of association, company membership is open only to Glasgow City Council. Glasgow City Council as sole member may appoint the Board with a maximum number of 11 directors (trustees) and this will comprise:

- A maximum of 5 directors shall be Partner Directors (Elected members of Glasgow City Council);
- A maximum of 5 Directors shall be Independent Directors (Independent business leaders appointed on the basis of their skills and experience); and
- No more than one Executive Director

At the conclusion of each AGM of the company, one third of the independent directors shall retire from office. However, there is no limit on the number of occasions on which a given independent director can be re-appointed.

The Company's Articles allow for a Nominations Committee to be convened to oversee the recruitment of any independent directors.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Trustee induction and training

A Directors Manual has been prepared and this is made available to all Trustees. This manual describes the various strategic aims of the company and its activities and sets out the responsibilities and statutory duties of the Trustees.

Training for the Trustees is provided in the form of a number of induction workshops. Two new trustees have been appointed since the year end and induction sessions have been completed with all.

Arrangement for setting the pay and remuneration of management

The arrangements for setting the pay and remuneration of the charity's key management personnel is carried out by the Board. At the Board meeting on 29th March 2017 the Board agreed to the pay award strategy for 2019/21. Key management personnel comprises the charity Trustees and the Senior Management Team.

Related parties

Due to the nature of the charity's operations and the composition of its Board of Trustees, it is inevitable that transactions will take place with companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted in accordance with normal project and programme rules. Trustees are not permitted to participate in discussions or decisions on transactions involving their related business.

Note 5 within the Notes to the Financial Statements lists all Trustees' related parties. In particular, please note the following:

- Martin Booth. For the duration of being the Interim Managing Director of JBG, he was also the Director of Finance and Corporate Services of Glasgow Life
- Councillor Angus Millar. As well as being a Trustee of JBG he is also a Director of City Property

In addition, all Trustees are asked to complete a register of interest's form which is updated annually and the first agenda item at each Board meeting invites Trustees to declare any interest relating to the Board matters under discussion.

Reference and administrative details

Details of the Trustees, secretary, senior management team, registered office, auditor, bankers and solicitors are on the Company Information page of these financial statements.

Statement of Trustees' responsibilities

The charity trustees (who are also the directors of Jobs and Business Glasgow for the purposes of company law) are responsible for preparing the Report of the Trustees (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the income and expenditure of the group and company for that period.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019

Statement of Trustees' responsibilities (continued)

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 group and company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- a) so far as the trustees are aware, there is no relevant information of which the group's auditor is unaware; and
- b) the trustees have taken all steps that they ought to have taken as a trustee in order to make themselves aware of any relevant information and to establish that the group's auditor is aware of the information.

Auditor

The auditor, Scott-Moncrieff, was appointed during the year and will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on

and signed on its behalf by:

Angus Millar
Trustee

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS
GLASGOW FOR THE YEAR ENDED 31 MARCH 2019**

Opinion

We have audited the financial statements of Jobs and Business Glasgow (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019, which comprise the Consolidated and Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Cash Flows and the 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 Financial Reporting Standard 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 group and the parent charitable company's affairs as at 31 March 2019 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other 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 audit 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:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS
GLASGOW FOR THE YEAR ENDED 31 MARCH 2019**

Other information (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (incorporating the Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement on pages 22 and 23, the Trustees 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 the trustees 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, the trustees are responsible for assessing the group and the parent charitable company'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 the trustees either intend to liquidate the parent charitable company or to cease operations, or have no realistic alternative but to do so.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS
GLASGOW FOR THE YEAR ENDED 31 MARCH 2019**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 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. The description forms part of our Auditor's Report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the parent charitable company's trustees, as a body, 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 parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett (Senior Statutory Auditor)

For and on behalf of

Scott-Moncrieff, Statutory Auditor

Chartered Accountants

25 Bothwell Street

Glasgow

G2 6NL

Date:

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019
(including an Income and Expenditure Account)

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Pension reserve 2019 £	Total funds 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Pension reserve 2018 £	Total funds 2018 £
Income and endowments from									
Donations and legacies	6	4,941,633	-	-	4,941,633	4,489,012	-	-	4,489,012
Charitable activities	7	3,271,554	1,742,214	-	5,013,768	3,749,864	978,042	-	4,727,906
Other trading activities	8	-	-	-	-	133,227	-	-	133,227
Investments	9	2,361,876	-	-	2,361,876	2,379,930	-	-	2,379,930
Total income		10,575,063	1,742,214	-	12,317,277	10,752,033	978,042	-	11,730,075
Expenditure on									
Raising funds									
Other trading activities	10	-	-	-	-	(182,750)	-	-	(182,750)
Investment activities	11	(2,110,832)	-	-	(2,110,832)	(1,680,974)	-	-	(1,680,974)
Charitable activities	12	(7,250,787)	(1,376,429)	(45,000)	(8,672,216)	(8,174,718)	(1,452,598)	(61,000)	(9,688,316)
Total expenditure		(9,361,619)	(1,376,429)	(45,000)	(10,783,048)	(10,038,442)	(1,452,598)	(61,000)	(11,552,040)
Net gains/(losses) on investment	18	1,115,000	-	-	1,115,000	(65,000)	-	-	(65,000)
Net income/(expenditure) for the year									
Transfers between funds	26	2,328,444	2,328,444	(45,000)	2,649,229	648,591	(474,556)	(61,000)	113,035
		399,027	(399,027)	-	-	514,879	(514,879)	-	-
		2,727,471	(33,242)	(45,000)	2,649,229	1,163,470	(989,435)	(61,000)	113,035
Other recognised gains/(losses)									
Actuarial (loss)/gain on defined benefit pension schemes	25	-	-	(126,000)	(126,000)	-	-	1,032,000	1,032,000
Net movement in funds		2,727,471	(33,242)	(171,000)	2,523,229	1,163,470	(989,435)	971,000	1,145,035
Total funds brought forward	26	14,705,735	68,556	(106,000)	14,668,291	13,542,265	1,057,991	(1,077,000)	13,523,256
Total funds carried forward	26	17,433,206	35,314	(277,000)	17,191,520	14,705,735	68,556	(106,000)	14,668,291

All income and expenditure derive from continuing activities.
The notes on pages 34 to 65 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019
(including an Income and Expenditure Account)

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Pension reserve 2019 £	Total funds 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Pension reserve 2018 £	Total funds 2018 £
Income and endowments from									
Donations and legacies	6	4,941,633	-	-	4,941,633	4,489,012	-	-	4,489,012
Charitable activities	7	3,271,554	1,742,214	-	5,013,768	3,749,864	978,042	-	4,727,906
Other trading activities	8	-	-	-	-	133,227	-	-	133,227
Investments	9	1,492,870	-	-	1,492,870	1,356,233	-	-	1,356,233
Total income		9,706,057	1,742,214	-	11,448,271	9,728,336	978,042	-	10,706,378
Expenditure on									
Raising funds									
Other trading activities	10	-	-	-	-	(182,750)	-	-	(182,750)
Investment activities	11	(898,224)	-	-	(898,224)	(387,364)	-	-	(387,364)
Charitable activities	12	(7,660,833)	(1,376,429)	(45,000)	(9,082,262)	(8,284,537)	(1,452,598)	(61,000)	(9,798,135)
Total expenditure		(8,559,057)	(1,376,429)	(45,000)	(9,980,486)	(8,854,651)	(1,452,598)	(61,000)	(10,368,249)
Net gains on investment	18	415,000	-	-	415,000	-	-	-	-
Net income/(expenditure) for the year									
		1,562,000	365,785	(45,000)	1,882,785	873,685	(474,556)	(61,000)	338,129
Transfers between funds	26	399,027	(399,027)	-	-	514,879	(514,879)	-	-
		1,961,027	(33,242)	(45,000)	1,882,785	1,388,564	(989,435)	(61,000)	338,129
Other recognised gains/(losses)									
Actuarial (loss)/gain on defined benefit pension schemes	25	-	-	(126,000)	(126,000)	-	-	1,032,000	1,032,000
Net movement in funds		1,961,027	(33,242)	(171,000)	1,756,785	1,388,564	(989,435)	971,000	1,370,129
Total funds brought forward	26	12,650,860	68,556	(106,000)	12,613,416	11,262,296	1,057,991	(1,077,000)	11,243,287
Total funds carried forward	26	14,611,887	35,314	(277,000)	14,370,201	12,650,860	68,556	(106,000)	12,613,416

All income and expenditure derive from continuing activities.
The notes on pages 34 to 65 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	17	5,240,132	5,461,636
Investment properties	18	8,315,000	7,200,000
Investments	19	24,899	24,899
		<u>13,580,031</u>	<u>12,686,535</u>
Current assets			
Debtors	20	1,256,390	1,525,947
Investments – cash deposits		500,000	1,000,000
Cash at bank and in hand		4,689,137	3,467,586
		<u>6,445,527</u>	<u>5,993,533</u>
Creditors: amounts falling due within one year	21	<u>(2,557,038)</u>	<u>(3,905,777)</u>
Net current assets		3,888,489	2,087,756
Net assets excluding pension liability		<u>17,468,520</u>	<u>14,774,291</u>
Defined benefit pension scheme liability	25	(277,000)	(106,000)
Net assets		<u>17,191,520</u>	<u>14,668,291</u>
Funds			
Restricted funds	26	35,314	68,556
Unrestricted funds	26	17,433,206	14,705,735
Pension reserve	25,26	(277,000)	(106,000)
		<u>17,191,520</u>	<u>14,668,291</u>

The financial statements have been authorised for issue by the Board of Trustees on.....and are signed on their behalf by:

Angus Millar
Trustee

Gary Hay
Trustee

Company number: SC108565

The notes on pages 34 to 65 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	17	4,907,530	5,118,991
Investment properties	18	4,840,000	4,425,000
Investments	19	24,999	24,999
		<u>9,772,529</u>	<u>9,568,990</u>
Current assets			
Debtors: amounts falling due after more than one year	20	520,802	588,733
Debtors: amounts falling due within one year	20	1,089,792	1,318,641
Investments- cash deposits		500,000	1,000,000
Cash at bank and in hand		4,444,827	3,171,491
		<u>6,555,421</u>	<u>6,078,865</u>
Creditors: amounts falling due within one year	21	<u>(1,680,749)</u>	<u>(2,928,439)</u>
Net current assets		4,874,672	3,150,426
Net assets excluding pension liability		<u>14,647,201</u>	<u>12,719,416</u>
Defined benefit pension scheme liability	25	(277,000)	(106,000)
Net assets		<u>14,370,201</u>	<u>12,613,416</u>
Funds			
Restricted funds	26	35,314	68,556
Unrestricted funds	26	14,611,887	12,650,860
Pension reserve	25, 26	(277,000)	(106,000)
		<u>14,370,201</u>	<u>12,613,416</u>

The financial statements have been authorised for issue by the Board of Trustees on..... and are signed on their behalf by:

Angus Millar
Trustee

Gary Hay
Trustee

Company number: SC108565

The notes on pages 34 to 65 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	28	(1,588,759)	(1,916,311)
Cash flows from investing activities			
Interest and rents from investments		2,361,876	2,379,930
Interest payable		(19,205)	(111,779)
Purchase of property, plant and equipment		(32,361)	(262,078)
Cash investments		(500,000)	(1,000,000)
Cash disinvested		1,000,000	-
Net cash provided by investing activities		2,810,310	1,006,073
Cash flows from financing activities:			
Repayments of borrowing		-	(1,350,938)
Net cash used in financing activities		-	(1,350,938)
Increase/(decrease) in cash and cash equivalents in the year		1,221,551	(2,261,176)
Cash and cash equivalents at 1 April		3,467,586	5,728,762
Cash and cash equivalents at 31 March		4,689,137	3,467,586

The notes on pages 34 to 65 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CHARITY STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	28	(719,534)	(503,929)
Cash flows from investing activities			
Interest and rents from investments		1,492,870	1,356,233
Interest payable		-	(111,779)
Cash invested		(500,000)	(1,000,000)
Cash disinvested		1,000,000	-
Net cash provided by investing activities		1,992,870	244,454
Cash flows from financing activities			
Repayments of borrowing		-	(1,350,938)
Net cash used in financing activities		-	(1,350,938)
Increase/(decrease) in cash and cash equivalents in the year		1,273,336	(1,610,413)
Cash and cash equivalents at 1 April		3,171,491	4,781,904
Cash and cash equivalents at 31 March		4,444,827	3,171,491

The notes on pages 34 to 65 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable group's transactions are denominated. They comprise the consolidated financial statements of the charitable group.

The principal activity of Property by Jobs & Business Glasgow Ltd is that of property investment including property development and rental of the developed properties.

Jobs and Business Glasgow's mission is described as "To work in partnership to create a more resilient business base and support residents to compete for employment opportunities in and beyond the city."

Jobs and Business Glasgow is a private company limited by guarantee, incorporated in the United Kingdom and registered in Scotland. The liability of each member in the event of winding up is limited to £1. It is recognised as a charitable company for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC023930. The charitable company's registered number is SC108565.

Property by Jobs & Business Glasgow Ltd, a group member, is a private company limited by shares, incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC142446.

Details of the registered office can be found on the Company Information page of these financial statements.

2. Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies (see note 3).

b) Going concern

The Trustees consider that there are no material uncertainties about the group and charitable company's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

c) Consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, Property by Jobs & Business Glasgow Ltd on a line by line basis. Intercompany transactions and balances between group companies are eliminated in full. The joint venture Govan Digital Media Centre Limited is not included on the grounds of materiality.

d) Income recognition

Income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the group has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the group is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group, this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see note 22).

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to policy (f) below.

- Expenditure on other trading activities includes the cost of operating non-investment properties and other associated costs;
- Expenditure on investment activities includes the cost of operating investment properties and other associated costs; and
- Expenditure on charitable activities includes Employability, Childcare, Enterprise & Social Economy and other activities undertaken to further the purpose of the charity and their associated support costs.

Irrecoverable VAT is charged as a support cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the group and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on budgeted staff costs for each activity. The allocation of support and governance costs is analysed in note 13.

g) Pensions

Employees of the group are entitled to join a defined contribution 'money purchase' scheme. The group contribution is restricted to the contributions disclosed in note 14. There were no outstanding contributions at the year end.

The money purchase plan is managed by various providers and the plans invest the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as and when they are eligible for a state pension. The group has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

The pension costs charged to the Statement of Financial Activities represent the amount of employer's contributions payable to the defined contribution pension schemes in respect of the accounting period.

The group is also an admitted body to the Strathclyde Pension Fund (SPF), which is administered by Glasgow City Council and which requires contributions to be made to its number 1 fund. This is a defined benefit scheme that is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations.

h) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

i) Tangible fixed assets and depreciation

All assets costing more than £25,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

Freehold buildings	Over 50 years, following year of purchase
Leasehold properties	2-20% on cost or over the term of the lease
Plant and machinery	20% straight line
Computer equipment	33% on cost

No depreciation is provided in respect of land.

Mixed use properties are included within fixed assets and are depreciated in line with the policy above because the investment property element could not be measured reliably.

j) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

k) Investments

Investments in subsidiary undertakings and joint ventures are included at cost, less provision for permanent diminution in value.

l) Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and balances with related parties. Financial instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

m) Debtors

Short term debtors are measured at transaction price, less any impairment.

n) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

o) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

p) Provision for liabilities

A provision is recognised in the Statement of Financial Position when the group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date. Provisions are charged as an expense to the Statement of Financial Activities in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

q) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 26.

r) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Judgements in applying policies and key sources of estimation uncertainty

In preparing the consolidated financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates, bad debt provision, pension assumptions and principles underlying the valuation of investment property. The depreciation rates have been deemed to be appropriate for the class of asset. The bad debt provision has been reviewed and has been deemed reasonable. The pension assumptions, determined by a qualified actuary, have been reviewed and have been deemed to be appropriate. The revaluation of investment properties has been deemed reasonable.

4. Financial activities of the subsidiary

Property by Jobs & Business Glasgow Ltd

The charity has a wholly owned trading subsidiary Property by Jobs & Business Glasgow Ltd (company number: SC142446), which is incorporated in Scotland and whose principal activity is property rental. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below:

	2019 £	2018 £
Turnover	1,265,270	<i>1,389,870</i>
Administrative expenses	(1,197,168)	<i>(1,703,767)</i>
Other operating income	17,358	<i>159,253</i>
Operating profit/(loss)	85,460	<i>(154,644)</i>
Interest receivable and similar income	189	<i>144</i>
Interest payable and similar expenses	(19,205)	<i>(21,487)</i>
Movement in fair value	700,000	<i>(65,000)</i>
Taxation	-	<i>15,893</i>
Profit/(loss) for the financial year	766,444	<i>(225,094)</i>
The assets and liabilities of the subsidiary were:		
Fixed assets	332,602	<i>342,645</i>
Investment properties	3,475,000	<i>2,775,000</i>
Current assets	452,508	<i>586,038</i>
Current liabilities	(917,889)	<i>(1,059,975)</i>
Long term creditors	(520,802)	<i>(588,733)</i>
Total net assets	2,821,419	<i>2,054,975</i>
Aggregate capital and reserves	2,821,419	<i>2,054,975</i>

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Related party transactions and trustees' expenses and remuneration

During the year, one (2018: two) Trustee was reimbursed £73 (2018: £35) and no Trustees waived expenses (2018: 1 Trustee waived expenses of £103).

The charity is a private company limited by guarantee, which is owned by its sole member which is Glasgow City Council. Glasgow City Council's place of business is City Chambers, Glasgow, G2 1DU.

Included in the table below is a summary of the transactions and year end balances with other group companies in the Glasgow City Council Group:

	Income £'000	Expenditure £'000	Debtors £'000	Creditors £'000
Glasgow City Council	9,266	1,455	696	65
City Property	111	472	34	72
Glasgow Life	-	40	-	22

The amounts outstanding are secured for cash settlement in accordance with usual terms.

Due to the nature of the group's operations and the composition of its Board of Trustees, it is inevitable that transactions will take place with companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted in accordance with normal project and programme rules. Trustees are not permitted to participate in discussions or decisions on transactions involving their related business.

The group works in partnership with a number of public and other bodies with whom many joint projects have been undertaken during the year. The following persons held official positions with such bodies:

Name	Organisation	Position held
Angus Millar	Glasgow City Council	Councillor
	City Property Investments LLP	Chair
	West of Scotland European Forum	Member
	City Property (Glasgow) LLP	Chair
	Glasgow City of Science Strategic Programme	Member
Michael Cullen (resigned 4 April 2019)	Glasgow (Central) Citizens Advice Bureau	Member
	Glasgow Educational and Marshall Trust	Member
	National Association of Councillors	Member
	Children's Hearings Scotland – Glasgow Area Support Team	Member
	Glasgow City Council	Councillor
	Strathclyde Partnership for Transport	Member
	Culture and Sport Glasgow Ltd	Member
Malcolm Cunning	Glasgow City Council	Councillor
Annette Christie (resigned 4 April 2019)	Glasgow City Council	Bailie
	Blindcraft Trust	Member
	City Parking (Glasgow) LLP	Member

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Related party transactions and trustees' expenses and remuneration (continued)

Name	Organisation	Position held
Francis Scally	National Association of Councillors	Member
	Glasgow City Council	Councillor
	Community Safety Glasgow	Member
	Glasgow Housing Association – North West Area Committee	Member
	Maryhill Housing Association	Member

6. Income from donations and legacies

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Glasgow City Council	4,940,332	4,336,137	4,940,332	4,336,137
Other grants	1,301	152,875	1,301	152,875
	4,941,633	4,489,012	4,941,633	4,489,012

7. Income from charitable activities

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Employability	2,931,239	2,299,082	2,931,239	2,299,082
Childcare	2,082,529	2,245,993	2,082,529	2,245,993
Enterprise and social economy	-	182,831	-	182,831
	5,013,768	4,727,906	5,013,768	4,727,906

Group and Charity

Included within employability income is £1,742,214 (2018: £978,042) of restricted income.

8. Income from other trading activities

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
252 Saracen Street	-	17,000	-	17,000
Orkney Street	-	116,227	-	116,227
	-	133,227	-	133,227

9. Investment income

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Bank interest received	35,533	43,544	35,344	43,400
Property by Jobs & Business Glasgow	868,817	1,023,553	-	-
Rental income	1,457,526	1,312,833	1,457,526	1,312,833
	2,361,876	2,379,930	1,492,870	1,356,233

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Investment income (continued)

At 31 March 2019, the group and charity had minimum lease receipts due under non-cancellable operating leases as follows:

	Group 2019	<i>Group 2018</i>	Charity 2019	<i>Charity 2018</i>
	£	£	£	£
Not later than one year	1,270,893	1,301,109	766,508	727,811
Later than one year and not later than five years	278,790	345,331	191,291	318,333
Later than five years	90,798	-	74,872	-
	1,640,481	1,646,440	1,032,671	1,046,144

10. Raising funds – expenditure on other trading activities

	Group 2019	<i>Group 2018</i>	Charity 2019	<i>Charity 2018</i>
	£	£	£	£
252 Saracen Street	-	92,652	-	92,652
Tollcross Road	-	85,895	-	85,895
Ibrox Business Park	-	4,203	-	4,203
	-	182,750	-	182,750

11. Raising funds – expenditure on investment activities

	Group 2019	<i>Group 2018</i>	Charity 2019	<i>Charity 2018</i>
	£	£	£	£
Property rental costs	894,459	387,364	898,224	387,364
Property by Jobs & Business Glasgow	1,216,373	1,293,610	-	-
	2,110,832	1,680,974	898,224	387,364

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Expenditure on charitable activities

Group - 2019	Employability	Childcare	Enterprise & social economy	Total
	£	£	£	£
Staff costs	2,159,742	1,909,299	346,320	4,415,361
Property	98,569	206,229	1,037	305,835
Transport	-	41,598	-	41,598
Supplies & services	1,486,268	90,545	35,327	1,612,140
Governance costs (note 13)	8,686	7,579	1,548	17,813
Support costs (note 13)	1,111,558	969,884	198,027	2,279,469
	4,864,823	3,225,134	582,259	8,672,216

Group - 2018	<i>Employability</i>	<i>Childcare</i>	<i>Enterprise & social economy</i>	<i>Total</i>
	£	£	£	£
Staff costs	2,508,442	1,773,566	352,545	4,634,553
Property	233,605	276,266	147,940	657,811
Transport	9,391	46,837	-	56,228
Supplies & services	1,409,249	112,767	91,877	1,613,893
Governance costs (note 13)	30,643	18,310	4,240	53,193
Support costs (note 13)	1,539,722	919,962	212,954	2,672,638
	5,731,052	3,147,708	809,556	9,688,316

Charity - 2019	Employability	Childcare	Enterprise & social economy	Total
	£	£	£	£
Staff costs	2,159,742	1,909,299	346,320	4,415,361
Property	111,814	396,915	1,037	509,766
Transport	-	41,598	-	41,598
Supplies & services	1,486,268	111,375	35,366	1,633,009
Governance costs (note 13)	8,686	7,579	1,548	17,813
Support costs (note 13)	1,201,891	1,048,704	214,120	2,464,715
	4,968,401	3,515,470	598,391	9,082,262

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Expenditure on charitable activities (continued)

Charity - 2018	<i>Employability</i> £	<i>Childcare</i> £	<i>Enterprise & social economy</i> £	<i>Total</i> £
Staff costs	2,508,442	1,773,566	352,545	4,634,553
Property	233,605	386,085	147,940	767,630
Transport	9,391	46,837	-	56,228
Supplies & services	1,409,249	112,767	91,877	1,613,893
Governance costs (note 13)	30,643	18,310	4,240	53,193
Support costs (note 13)	1,539,722	919,962	212,954	2,672,638
	<u>5,731,052</u>	<u>3,257,527</u>	<u>809,556</u>	<u>9,798,135</u>

13. Allocation of governance and support costs

Group – 2019	Employability £	Childcare £	Enterprise & social economy £	Total £
Salaries	457,328	399,039	81,474	937,841
Stationery	3,278	2,860	584	6,722
Property related	736,409	642,550	131,193	1,510,152
	<u>1,197,015</u>	<u>1,044,449</u>	<u>213,251</u>	<u>2,454,715</u>
Governance Cost				Total £
Audit fee				<u>17,813</u>

Governance costs are apportioned across the group's activities as follows:

	Total £
Employability	8,686
Childcare	7,579
Enterprise & social economy	1,548
	<u>17,813</u>

Support and governance costs are apportioned across the group's activities based on budgeted staff costs for each activity

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Allocation of governance and support costs (continued)

Group – 2018				
Support costs	<i>Employability</i>	<i>Childcare</i>	<i>Enterprise & social economy</i>	<i>Total</i>
	£	£	£	£
Salaries	1,335,310	797,829	184,683	2,317,822
Stationery	3,828	2,287	529	6,644
Property related	200,584	119,846	27,742	348,172
	<u>1,539,722</u>	<u>919,962</u>	<u>212,954</u>	<u>2,672,638</u>
Governance Cost				Total
				£
Audit fee				40,906
Support costs (salaries)				<u>12,287</u>
				<u>53,193</u>

Governance costs are apportioned across the charity's activities as follows:

	Total
	£
Employability	30,643
Childcare	18,310
Enterprise & social economy	4,240
	<u>53,193</u>

Support and governance costs are apportioned across the group's activities based on budgeted staff costs for each activity

Charity 2019				
Support costs	Employability	Childcare	Enterprise & social economy	Total
	£	£	£	£
Salaries	462,204	403,294	82,343	947,841
Stationery	3,278	2,860	584	6,722
Property related	736,409	642,550	131,193	1,510,152
	<u>1,201,891</u>	<u>1,048,704</u>	<u>214,120</u>	<u>2,464,715</u>
Governance Cost				Total
				£
Audit fee				<u>17,813</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Allocation of governance and support costs (continued)

Governance costs are apportioned across the charity's activities as follows:

	Total £
Employability	8,686
Childcare	7,579
Enterprise & social economy	1,548
	<u>17,813</u>

Support and governance costs are apportioned across the charity's activities based on budgeted staff costs for each activity.

Charity – 2018	<i>Enterprise & social economy</i>			<i>Total</i>
Support costs	<i>Employability</i>	<i>Childcare</i>	<i>economy</i>	<i>Total</i>
	£	£	£	£
Salaries	1,335,310	797,829	184,683	2,317,822
Stationery	3,828	2,287	529	6,644
Property related	200,584	119,846	27,742	348,172
	<u>1,539,722</u>	<u>919,962</u>	<u>212,954</u>	<u>2,672,638</u>

Governance costs	<i>Total £</i>
Audit fee	40,906
Support costs (salaries)	12,287
	<u>53,193</u>

Governance costs are apportioned across the charity's activities as follows:

	<i>Total £</i>
Employability	30,643
Childcare	18,310
Enterprise & social economy	4,240
	<u>53,193</u>

Support and governance costs are apportioned across the charity's activities based on budgeted staff costs for each activity.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Staff costs and remuneration of key management personnel

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Salaries and wages	5,885,044	<i>5,744,048</i>	5,731,231	<i>5,597,606</i>
Social security costs	428,177	<i>421,735</i>	416,028	<i>411,307</i>
Pension costs in relation to defined benefit pension schemes	34,000	<i>26,006</i>	34,000	<i>26,006</i>
Employer pension contributions	188,836	<i>186,036</i>	183,252	<i>181,696</i>
	<u>6,536,057</u>	<i><u>6,377,825</u></i>	<u>6,364,511</u>	<i><u>6,216,615</u></i>

The number of employees whose employee benefits fell within the following bands are as follows:

	Group 2019 No.	<i>Group 2018 No.</i>	Charity 2019 No.	<i>Charity 2018 No.</i>
£60,001 - £70,000	2	<i>2</i>	2	<i>2</i>

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
--	-----------------------------	-----------------------------	-------------------------------	-------------------------------

The pension contributions for the above employees were

	<u>23,282</u>	<i><u>21,937</u></i>	<u>23,282</u>	<i><u>21,937</u></i>
--	----------------------	----------------------	----------------------	----------------------

	Group 2019 No.	<i>Group 2018 No.</i>	Charity 2019 No.	<i>Charity 2018 No.</i>
--	-------------------------------	-------------------------------	---------------------------------	---------------------------------

The average weekly number of persons, by headcount, employed during the year was:

	<u>241</u>	<i><u>247</u></i>	<u>227</u>	<i><u>239</u></i>
--	-------------------	-------------------	-------------------	-------------------

Key management personnel comprises the Board of Trustees, the Managing Director, the Head of Employability & Skills, the Head of Property, Childcare & Enterprise and the acting Head of Finance. Key management emoluments were as follows:

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Salaries	254,130	<i>198,336</i>	254,130	<i>198,336</i>
Social security costs	21,372	<i>14,558</i>	21,372	<i>14,558</i>
Employer pension contributions	29,444	<i>21,937</i>	29,444	<i>21,937</i>
	<u>304,946</u>	<i><u>234,831</u></i>	<u>304,946</u>	<i><u>234,831</u></i>

The acting Head of Finance (2018: acting Head of Finance and Interim Managing Director) is not an employee of Jobs and Business Glasgow. The gross secondee/agency costs are included within salaries in the above table.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Staff costs and remuneration of key management personnel (continued)

The trustees are not in a position to disclose the benefit to key management personnel from the actuarial movement in the pension scheme as in the Trustees' opinion, the charge by the actuaries to obtain the information was disproportionate to the benefit to the reader. They did not consider this appropriate use of charitable funds.

During the year the charity made severance payments of £nil (2018: £nil).

15. Net income/(expenditure) for the year

This is stated after charging:

	Group 2019 £	<i>Group</i> <i>2018</i> £	Charity 2019 £	<i>Charity</i> <i>2018</i> £
Depreciation	253,865	327,801	211,461	299,230
Fees payable to the auditor				
- Parent audit fee	17,813	40,910	17,813	40,910
- Parent accounts preparation fee	4,542	-	4,542	-
- Subsidiary audit fee	11,524	16,456	-	-
- Subsidiary accounts preparation fee	1,305	-	-	-
- Subsidiary corporation tax fee	769	-	-	-
Unrealised losses through fair value adjustments	-	65,000	-	-
Operating lease rentals				
- Property	256,820	256,820	231,195	231,195

16. Government Grants

Group and charity

Income from government grants comprises:

		2019 £	<i>2018</i> £
GCC Services contract	a)	4,821,850	4,601,210
GCC Integrated grants	b)	33,418	123,463
GCC Childcare strategy	c)	84,038	84,038
GCC Assisted garden maintenance	d)	954,000	951,327
GCC Glasgow guarantee	e)	63,000	63,000
GCC Nursery partnership funds	f)	229,724	215,798
GCC Secondments	g)	118,482	155,048
GCC Make Safe Squad	h)	29,159	27,195
GCC CSG grant income	i)	-	126,000
GCC Blairtummock House Nursery	j)	-	159,253
GCC Working matters	k)	1,417,189	-
GCC Additional supported needs	l)	14,311	-
GCC Glasgow guarantee – childcare	m)	64,796	-
GCC Graduate programme	n)	21,088	-
Skills Development Scotland	o)	214,612	385,903
Big Lottery	p)	-	60,725
European Social Fund	q)	128,594	-
		8,194,261	6,952,960

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Government Grants (continued)

(a) GCC – Services contract

A 25 year contract for the delivery of services across a range of key performance indicators. Each year the KPIs will be agreed by both parties and monitored by GCC on a quarterly basis.

(b) GCC – Integrated grants

This represents a range of specific grants monitored by democratic services across a range of service provisions. Each award is project specific, with funds designated as restricted funds.

(c) GCC – Childcare strategy

An integrated grant to support childcare provision in deprived areas of the city.

(d) GCC – Assisted garden maintenance

This funds an intermediate labour market project to assist clients furthest from the labour market to gain employability and work skills with a view to gaining future employment.

(e) GCC – Glasgow guarantee

This fund is aimed at assisting young people access apprenticeship positions throughout the city.

(f) GCC – Nursery partnerships funds

GCC offers partnership status to a number of nurseries where they provide a free place to children entitled to be provided with 15 hours of nursery provision per week.

(g) GCC – Secondments

JBG seconds a number of our guidance staff to support GCC's employability activities.

(h) GCC – Make Safe Squad

Bespoke ILM projects in conjunction with Glasgow City Council Bereavement Services to assist clients furthest from the labour market to gain employability and work skills with a view to gaining future employment.

(i) GCC – CSG grant income

In partnership with GCC and Community Safety Glasgow (CSG), this funds an intermediate labour market project to assist clients furthest from the labour market to gain employability and work skills with a view to gaining future employment.

(j) GCC – Blairtummock House Nursery

Funding towards the refurbishment of Blairtummock House Nursery.

(k) GCC – Working matters

The project is designed to support individuals who are long-term unemployed and who have health issues which have proven to be a barrier to securing employment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Government Grants (continued)

(l) GCC – Additional supported needs

Provision of employability support for participants with additional support needs registered on Glasgow City Council's "Ability for Apprentice" programme.

(m) GCC – Glasgow guarantee – childcare

Funding for Modern Apprenticeship's in childcare settings.

(n) GCC – Graduate programme

Funding from GCC's Early Years programme to support childcare graduate placements.

(o) Skills Development Scotland

Funding for the Youth Employability Service and Modern Apprentice Projects aimed at providing employability training to young people.

(p) Big Lottery

Making It Work Glasgow Partnership is to ensure that the collective skills, experience and expertise of the participant agencies is utilised to meet the aim of delivering the outcomes of the project.

(q) European Social Fund

Funding aimed at supporting a range of youth and mainstream employability projects.

17. Tangible Fixed Assets

Group	Freehold land & buildings £	Leasehold properties £	Plant & machinery £	Computer equipment £	Total £
Cost					
At 1 April 2018	699,181	6,339,529	396,480	1,208,409	8,643,599
Additions	-	-	32,361	-	32,361
At 31 March 2019	699,181	6,339,529	428,841	1,208,409	8,675,960
Depreciation					
At 1 April 2018	18,194	1,942,260	61,867	1,159,642	3,181,963
Charge for the year	528	162,694	41,876	48,767	253,865
At 31 March 2019	18,722	2,104,954	103,743	1,208,409	3,435,828
Net book value					
At 31 March 2019	680,459	4,234,575	325,098	-	5,240,132
At 31 March 2018	680,987	4,397,269	334,613	48,767	5,461,636

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. Tangible Fixed Assets (continued)

Charity	Freehold land & buildings	Leasehold properties	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2018 and 31 March 2019	672,955	6,339,529	1,208,409	8,220,893
Depreciation				
At 1 April 2018	-	1,942,260	1,159,642	3,101,902
Charge for the year	-	162,694	48,767	211,461
At 31 March 2019	-	2,104,954	1,208,409	3,313,363
Net book value				
At 31 March 2019	672,955	4,234,575	-	4,907,530
<i>At 31 March 2018</i>	<i>672,955</i>	<i>4,397,269</i>	<i>48,767</i>	<i>5,118,991</i>

18. Investment property

	Group 2019	<i>Group 2018</i>	Charity 2019	<i>Charity 2018</i>
	£	£	£	£
At 1 April 2018	7,200,000	<i>7,265,000</i>	4,425,000	<i>4,425,000</i>
Revaluation	1,115,000	<i>(65,000)</i>	415,000	<i>-</i>
At 31 March 2019	8,315,000	<i>7,200,000</i>	4,840,000	<i>4,425,000</i>

The fair value of the investment properties has been arrived at on the basis of a valuation carried out at 31 March 2019 by J & E Shepherd, Chartered Surveyors, who are not connected with the group. The valuation was made on a fair value basis, by undertaking a desk top review, with reference to market evidence of transaction prices for similar properties. J & E Shepherd Chartered Surveyors did not undertake an inspection of the subjects as part of the methodology adopted in determining the fair value of the investment properties.

19. Fixed asset investments

	Group 2019	<i>Group 2018</i>	Charity 2019	<i>Charity 2018</i>
	£	£	£	£
Investments in subsidiaries	-	-	100	<i>100</i>
Investments in joint ventures	24,899	<i>24,899</i>	24,899	<i>24,899</i>
	24,899	<i>24,899</i>	24,999	<i>24,999</i>

Property by Jobs & Business Glasgow Ltd - £100 (2018: £100) (100 ordinary £1 shares). The trading subsidiary is wholly owned by the charity and operates various commercial properties. The company's registered office is 94 Duke Street, Glasgow, G4 0UW.

Govan Digital Media Centre Limited - £24,899 (2018: £24,899)

The charity holds a 50% share in the joint venture Govan Digital Media Centre Limited. The charity owns share capital of £50 (50 ordinary £1 shares). The company's registered office is 100 Brand Street, Glasgow, G51 1DG.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

20. Debtors

Amounts falling due within one year	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Trade debtors	204,478	228,845	106,644	115,778
Other debtors & prepayments	361,881	225,172	257,690	106,979
Accrued income	633,634	962,244	633,634	962,244
Amounts due from group entities	56,397	109,686	91,824	133,640
	1,256,390	<i>1,525,947</i>	1,089,792	<i>1,318,641</i>

Group trade debtors is shown net of the bad debt provision of £134,718 (2018: £102,023). Charity trade debtors is shown net of the bad debt provision of £53,410 (2018: £39,349). Movements in the bad debt provisions are included within support costs.

Amounts falling due after more than one year

The charity has amounts due from group entities of £520,802 (2018: £588,733) due in more than one year.

21. Creditors: amounts falling due within one year

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Trade creditors	215,259	291,294	127,234	139,025
Sundry creditors	49,186	82,047	49,186	82,047
Other creditors and accruals	1,365,271	2,072,304	873,536	1,264,592
Deferred income (note 22)	549,475	240,330	263,045	240,330
Taxation and social security costs	375,692	309,474	359,420	309,474
Amounts due to group entities	2,155	910,328	8,328	892,971
	2,557,038	<i>3,905,777</i>	1,680,749	<i>2,928,439</i>

22. Deferred income

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
At 1 April	240,330	243,244	240,330	243,244
Released in the year	(240,330)	(243,244)	(240,330)	(243,244)
Deferred in the year	549,475	240,330	263,045	240,330
At 31 March	549,475	<i>240,330</i>	263,045	<i>240,330</i>

Income is deferred when it relates to rent received in advance of the rental period. Refundable deposits are also included within deferred income.

	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Deposits	229,983	93,650	132,575	93,650
Rents in advance	319,492	146,680	130,470	146,680
	549,475	<i>240,330</i>	263,045	<i>240,330</i>

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23. Financial instruments

	Group 2019 £	<i>Group</i> <i>2018</i> £	Charity 2019 £	<i>Charity</i> <i>2018</i> £
Financial assets				
Cash and cash equivalents	4,689,137	3,467,586	4,444,827	3,171,491
Investments – cash deposits	500,000	1,000,000	500,000	1,000,000
Financial assets measured at amortised cost	1,104,872	<i>1,375,042</i>	1,537,606	<i>1,801,030</i>
	6,294,009	<i>5,842,628</i>	6,482,433	<i>5,972,521</i>
Financial liabilities				
Financial liabilities measured at amortised cost	(1,631,871)	<i>(3,157,209)</i>	(1,058,284)	<i>(2,378,635)</i>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts due from group entities.

Financial liabilities measured at amortised cost comprise trade creditors, sundry creditors, other creditors, accruals and amounts due to group entities.

24. Deferred taxation

Group	2019 £	<i>2018</i> £
At beginning of year	-	15,893
Charged to Statement of Financial Activities	-	<i>(15,893)</i>
At end of year	-	-

25. Pension commitments

Group and Charity

Strathclyde Pension Fund (SPF)

The group's senior management team belong to the Strathclyde Pension Fund (SPF), which is of the Defined Benefit type. The assets of the SPF are held in a separate, trustee administered fund.

Employee contribution rates are calculated on a tiered contribution basis dependant on pensionable salary.

The major assumptions made by the actuary in valuing the scheme are as follows:

	2019 % p.a.	<i>2018</i> <i>% p.a.</i>
Inflation/pension increase rate	2.5%	<i>2.4%</i>
Salary increase rate	3.74%	<i>3.6%</i>
Discount rate	2.4%	<i>2.7%</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. Pension commitments (continued)

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.4 years	23.7 years
Future pensioners	23.4 years	25.8 years

The net pension liability was:

	2019	2018
	£'000	£'000
Fair value of scheme assets	4,534	4,247
Present value of scheme liabilities	(4,811)	(4,353)
Net pension liability	(277)	(106)

There are no unfunded liabilities for which a provision needs to be made.

Reconciliation of fair value of scheme assets	2019	2018
	£'000	£'000
Opening fair value of scheme assets	4,247	4,269
Expected return on assets	116	110
Contributions by members	12	12
Contributions by employer	27	26
Actuarial gain/(loss)	217	(87)
Estimated benefits paid	(85)	(83)
	4,534	4,247

Reconciliation of present value of scheme liabilities	2019	2018
	£'000	£'000
Opening present value of scheme liabilities	4,353	5,346
Current service cost	61	58
Past service cost	10	-
Interest cost	117	139
Contributions by members	12	12
Actuarial loss/(gain)	343	(1,119)
Estimated benefits paid	(85)	(83)
	4,811	4,353

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. Pension commitments (continued)

The assets in the scheme were:

	Value at 31 March 2019 £000	% of scheme assets	Value at 31 March 2018 £000	% of scheme assets
Equities	2,902	64%	2,633	62%
Bonds	1,088	24%	977	23%
Property	453	10%	467	11%
Cash	91	2%	170	4%
Fair value of scheme assets	<u>4,534</u>		<u>4,247</u>	
Present value of liabilities	<u>(4,811)</u>		<u>(4,353)</u>	
Deficit in scheme	<u>(277)</u>		<u>(106)</u>	

History of experience gains and losses for the years ended 31 March:

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Scheme assets	4,534	4,247	4,269	3,310	3,136
Scheme liabilities	<u>(4,811)</u>	<u>(4,353)</u>	<u>(5,346)</u>	<u>(4,015)</u>	<u>(4,186)</u>
Deficit	<u>(277)</u>	<u>(106)</u>	<u>(1,077)</u>	<u>(705)</u>	<u>(1,050)</u>

	2019 £'000	2018 £'000
Experience adjustments on scheme assets	217	(87)
Experience adjustments on scheme liabilities	343	(1,119)

Amount charged to staff costs (note 14):

	2019 £'000	2018 £'000
Current service costs	61	58
Past service cost	10	-
Total operating charge	<u>71</u>	<u>58</u>
Less: contributions paid	<u>(27)</u>	<u>(26)</u>
Current service cost provision	<u>44</u>	<u>32</u>

Amount charged to support costs (note 13):

	2019 £'000	2018 £'000
Expected return on scheme assets	116	110
Interest on scheme liabilities	<u>(117)</u>	<u>(139)</u>
Net cost	<u>(1)</u>	<u>(29)</u>

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. Pension commitments (continued)

Amount recognised in the Statement of Financial Activities – actuarial (loss)/gain

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Changes in value of scheme assets: actuarial gain/(loss)	217	<i>(87)</i>
Changes value of scheme liabilities: actuarial (loss)/gain	(343)	<i>1,119</i>
Actuarial (loss)/gain recognised in SOFA	(126)	<i>1,032</i>

Movement in deficit during the year

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Deficit at the beginning of the year	(106)	<i>(1,077)</i>
Movement in year:		
Current service cost	(61)	<i>(58)</i>
Past service cost	(10)	<i>-</i>
Employer contributions	27	<i>26</i>
Net (cost) on pension scheme	(1)	<i>(29)</i>
Actuarial (loss)/gain	(126)	<i>1,032</i>
Deficit at the end of year	(277)	<i>(106)</i>

The estimated employer's contributions for the year to 31 March 2020 are £30,000.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

26. Funds reconciliation

Group	As at 1 April 2017 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2018 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2019 £
Unrestricted funds											
Designated funds											
Assisted garden maintenance Clyde Gateway	-	951,327	(855,989)	-	-	95,338	1,104,000	(1,071,413)	35,532	-	163,457
Tangible fixed assets	16,625	-	(16,625)	-	-	-	-	-	-	-	-
Investment property	4,176,421	-	(327,801)	1,613,016	-	5,461,636	-	(253,865)	32,361	-	5,240,132
Capital redemption reserve	7,265,000	-	-	(7,265,000)	-	-	-	-	-	-	-
Employability	300,000	-	-	-	-	300,000	-	-	-	-	300,000
	-	-	-	-	-	-	-	-	100,000	-	100,000
Total designated funds	11,758,046	951,327	(1,200,415)	(5,651,984)	-	5,856,974	1,104,000	(1,325,278)	167,893	-	5,803,589
General funds	1,784,219	9,800,706	(8,838,027)	6,166,863	(65,000)	8,848,761	9,471,063	(8,036,341)	231,134	1,115,000	11,629,617
Total unrestricted funds	13,542,265	10,752,033	(10,038,442)	514,879	(65,000)	14,705,735	10,575,063	(9,361,619)	399,027	1,115,000	17,433,206

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

26. Funds reconciliation (continued)

Group (continued)	As at 1 April 2017 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2018 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2019 £
Restricted funds											
Bridging Services	184,000	-	(184,000)	-	-	-	-	-	-	-	-
J P Morgan	31,868	-	(31,868)	-	-	-	-	-	-	-	-
The Big Lottery	183,902	-	(31,953)	(118,925)	-	33,024	-	2,290	-	-	35,314
Vulnerable young women	28,620	-	(28,620)	-	-	-	-	-	-	-	-
Environmental East	3,000	-	(3,000)	-	-	-	-	-	-	-	-
Support to People North	73,923	-	(73,923)	-	-	-	-	-	-	-	-
Oatlands	270	-	(270)	-	-	-	-	-	-	-	-
Employability fund - DWP	106,050	-	(106,050)	-	-	-	-	-	-	-	-
GCC derelict land	395,954	-	-	(395,954)	-	-	-	-	-	-	-
SDS CWR	1,893	-	(1,893)	-	-	-	-	-	-	-	-
Environmental task force	48,511	126,000	(138,979)	-	-	35,532	-	-	(35,532)	-	-
Working matters ESF – Work Life Glasgow	-	852,042	(852,042)	-	-	-	1,417,189	(1,053,694)	(363,495)	-	-
	-	-	-	-	-	-	325,025	(325,025)	-	-	-
Total restricted funds	1,057,991	978,042	(1,452,598)	(514,879)	-	68,556	1,742,214	(1,376,429)	(399,027)	-	35,314
Pension reserve	(1,077,000)	-	(61,000)	-	1,032,000	(106,000)	-	(45,000)	-	(126,000)	(277,000)
Total funds	13,523,256	11,730,075	(11,552,040)	-	967,000	14,668,291	12,317,277	(10,783,048)	-	(989,000)	17,191,520

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

26. Funds reconciliation (continued)

Charity	As at 1 April 2017 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2018 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2019 £
Unrestricted funds											
Designated funds											
Assisted garden maintenance Clyde Gateway	-	951,327	(855,989)	-	-	95,338	1,104,000	(1,071,413)	35,532	-	163,457
Tangible fixed assets	16,625	-	(16,625)	-	-	-	-	-	-	-	-
Investment property	4,067,283	-	(299,230)	1,350,938	-	5,118,991	-	(211,461)	-	-	4,907,530
Employability	7,265,000	-	-	(7,265,000)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	100,000	-	100,000
Total designated funds	11,348,908	951,327	(1,171,844)	(5,914,062)	-	5,214,329	1,104,000	(1,282,874)	135,532	-	5,170,987
General funds	(86,612)	8,777,009	(7,682,807)	6,428,941	-	7,436,531	8,602,057	(7,276,183)	263,495	415,000	9,440,900
Total unrestricted funds	11,262,296	9,728,336	(8,854,651)	514,879	-	12,650,860	9,706,057	(8,559,057)	399,027	415,000	14,611,887

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

26. Funds reconciliation (continued)

Charity (continued)	As at 1 April 2017 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2018 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2019 £
Restricted funds											
Bridging services	184,000	-	(184,000)	-	-	-	-	-	-	-	-
J P Morgan	31,868	-	(31,868)	-	-	-	-	-	-	-	-
The Big Lottery	183,902	-	(31,953)	(118,925)	-	33,024	-	2,290	-	-	35,314
Vulnerable young women	28,620	-	(28,620)	-	-	-	-	-	-	-	-
Environmental East	3,000	-	(3,000)	-	-	-	-	-	-	-	-
Support to People North	73,923	-	(73,923)	-	-	-	-	-	-	-	-
Oatlands	270	-	(270)	-	-	-	-	-	-	-	-
Employability fund - DWP	106,050	-	(106,050)	-	-	-	-	-	-	-	-
GCC derelict land	395,954	-	-	(395,954)	-	-	-	-	-	-	-
SDS CWR	1,893	-	(1,893)	-	-	-	-	-	-	-	-
Environmental task force	48,511	126,000	(138,979)	-	-	35,532	-	-	(35,532)	-	-
Working matters	-	852,042	(852,042)	-	-	-	1,417,189	(1,053,694)	(363,495)	-	-
ESF – Work Life Glasgow	-	-	-	-	-	-	325,025	(325,025)	-	-	-
Total restricted funds	1,057,991	978,042	(1,452,598)	(514,879)	-	68,556	1,742,214	(1,376,429)	(399,027)	-	35,314
Pension reserve	(1,077,000)	-	(61,000)	-	1,032,000	(106,000)	-	(45,000)	-	(126,000)	(277,000)
Total funds	11,243,287	10,706,378	(10,368,249)	-	1,032,000	12,613,416	11,448,271	(9,980,486)	-	-	14,370,201

26. Funds reconciliation (continued)

- a) The Trustees have created the following designated funds:

Assisted garden maintenance

Provision of gardening services as part of a service level agreement with Glasgow City Council Land and Environmental Services.

Clyde Gateway

Providing community engagement and employability services to some of the most disadvantaged people in the city, funded on an annual basis to November.

Tangible fixed assets

The fund reflects the net book value of the assets.

Investment property

The provision reflects the value of the Investment Property. The Trustees opted to release the designation on these funds in the prior year as there is no future expense currently attached to the assets.

Capital redemption reserve

This is the capital redemption reserve of the subsidiary company, Property by Jobs & Business Glasgow.

Employability

The Trustees agreed to designate £100,000 to the core employability programme in 2019/20 in order to deliver greater employment options to beneficiaries

- b) Restricted funds comprise of the following funds:

Bridging services

Funding received in advance for 2017/18 activities.

JP Morgan

The project focusses on connecting clients to enterprise by providing mentoring support.

The Big Lottery

Funding received over three years to support three projects as follows:-

- Making it Work – supporting lone parents to take up learning and training opportunities and secure and retain employment.
- Personal Best – supporting people considered most distant from the labour market to have increased self-confidence and be more able to make informed choices about their future employment.
- School Gates – facilitating a range of interventions aimed at improving parents and carers employability and family prospects.

Vulnerable young women

The project supports young women, many of whom are going into the labour market for the first time, to gain entry into the labour market.

Environmental East

These funds will be utilised to enable the youth of the area to become involved in the rediscovery of the Nature Reserve of the Northern Greenbelt of Greater Easterhouse.

26. Funds reconciliation (continued)

- b) Restricted funds comprise of the following funds (continued):

Support to People – North

These are funds received to undertake employability and skills development programmes, working with clients in a flexible way to support them, tackling barriers to employment and assisting with aftercare support. Balances held are available for use for continuing the programmes for people development and to assist with career skills and employment opportunities.

Oatlands development

Contribution to recruitment and equipment office costs for a development worker for the Oatlands Development Programme.

Employability fund

Provides clients with a variety of targeted learning and support to enable them to take up employment.

GCC derelict land grant

Funds received from Glasgow City Council to carry out ground remediation work on JBG land on Saracen Street.

SDS CWR

Certificate of Work Readiness SQA award for young people, it includes a work experience placement in which the employer's opinion is key to the certificate being awarded.

Environmental task force

Glasgow City Council funded ILM programme providing employment opportunities for up to 100 unemployed Glasgow residents.

Working matters

The project is designed to support individuals who are long term unemployed and who have health issues which have proven to be a barrier to securing employment.

ESF – Work Life Glasgow

The project delivers employability services to unemployed Glasgow residents who, in their journey towards employment, further training or education, require more support than is available through mainstream employability services

- c) Transfers

£363,495 was transferred from the Working Matters restricted fund to the general unrestricted funds. In 2017/18 £363,495 of costs were incurred and no restricted funding was received. Thus this expenditure was met out of the general unrestricted funds. However, £363,495 of funding for these costs was received in 2018/19 and a transfer has been made to allocate the funding against the general unrestricted fund where the corresponding expenditure has been included.

The Trustees approved the designation of £100,000 to further support the employability programme in 2019/20.

£32,361 was transferred to the tangible fixed asset designated fund, which represents movement in fixed assets for the year.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

26. Funds reconciliation (continued)

c) Transfers (continued)

£35,532 was transferred from the environmental task force restricted fund to the assisted garden maintenance designated fund to cover a supplementary winter programme.

27. Analysis of net assets between funds

Group - 2019	Unrestricted funds	Restricted funds	Pension reserve	Total 2019
	£	£	£	£
Tangible fixed assets	5,240,132	-	-	5,240,132
Investment properties	8,315,000	-	-	8,315,000
Fixed asset investments	24,899	-	-	24,899
Debtors	1,256,390	-	-	1,256,390
Cash and cash deposits	5,153,823	35,314	-	5,189,137
Current liabilities	(2,557,038)	-	-	(2,557,038)
Pension liability	-	-	(277,000)	(277,000)
	17,433,206	35,314	(277,000)	17,191,520
Group - 2018	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Pension reserve</i>	<i>Total 2018</i>
	£	£	£	£
Tangible fixed assets	5,461,636	-	-	5,461,636
Investment properties	7,200,000	-	-	7,200,000
Fixed asset investments	24,899	-	-	24,899
Debtors	1,525,947	-	-	1,525,947
Cash and cash deposits	4,399,030	68,556	-	4,467,586
Current liabilities	(3,905,777)	-	-	(3,905,777)
Pension liability	-	-	(106,000)	(106,000)
	14,705,735	68,556	(106,000)	14,668,291
Charity - 2019	Unrestricted funds	Restricted funds	Pension reserve	Total 2019
	£	£	£	£
Tangible fixed assets	4,907,530	-	-	4,907,530
Investment properties	4,840,000	-	-	4,840,000
Fixed asset investments	24,999	-	-	24,999
Debtors	1,610,594	-	-	1,610,594
Cash and cash deposits	4,909,513	35,314	-	4,944,827
Current liabilities	(1,680,749)	-	-	(1,680,749)
Pension liability	-	-	(277,000)	(277,000)
	14,611,887	35,314	(277,000)	14,370,201

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

29. Operating leases commitments

At 31 March 2019 the group and charity had for future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	Group 2019 £	<i>Group 2018 £</i>	Charity 2019 £	<i>Charity 2018 £</i>
Not later than 1 year	173,788	256,820	158,163	231,195
Later than 1 year and not later than 5 years	229,704	493,452	167,204	390,952
Later than 5 years	484,375	1,756,554	-	1,241,033
	887,867	2,506,826	325,367	1,863,180