



Agenda item 2a - Board Meeting 30 October, 2020.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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	David McMillan	
Senior management team	Gary Hay Tommy Docherty David McMillan Zoe Welsh	
Registered office	94 Duke Street Glasgow G4 0UW	
Charity number	SC023930	
Company number	SC108565	
Auditor	Azets Audit Services 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

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JOBS AND BUSINESS GLASGOW
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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

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 2020.

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:

"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; and
- To improve business resilience and increase the number of sustainable small businesses in Glasgow, moving towards levels achieved by better performing cities.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

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.

Strategic Report

Criteria used to assess success

In the 2019/20 financial year, the main criteria we used to assess success included:

- Customer/Client Surveys
- Funders/Partners feedback
- Formal independent project evaluations
- Client case studies
- Satisfactory Internal and External Audit Reports
- Investors in People re-accreditation (January 2020)
- Key Performance Indicators

Significant activities undertaken

In 2019/20, 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.
Working Matters More	Successor programme to the Working Matters programme, funded for twelve months, providing intensive support to clients in receipt of health-related benefits.
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.

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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic Report (continued)

Significant activities undertaken (continued)

Environmental Services	Supported Employment Programme to deliver assisted garden maintenance to vulnerable residents. Created 109 fixed term jobs for unemployed clients.
Glasgow Guarantee	In Work Support for young people who have secured apprenticeships through GCC Glasgow Guarantee
Clyde Gateway	Dedicated support to actively engage with residents of Clyde Gateway postcodes.
Commercial Property	Management of c.290,000 sq/ft of property portfolio comprising commercial, operational and mixed use properties including business centres, industrial estates and childcare facilities.
Childcare Services	One of the largest childcare service providers in the city, with provision for 467 full time children.

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 following eligibility criteria:

- 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 further developing its childcare and property services.

Commercial Property

The overall JBG property portfolio comprises commercial, operational and mixed use properties including business centres, industrial estates and childcare facilities. JBG operate and manage circa 290,000 sq/ft of property. The combined property portfolio contributes to the strategy of providing access to good quality office accommodation. As a result this not only meets our aims of supporting business development, with a particular emphasis in disadvantaged communities, it also aims to generate income that will contribute to the charity's core services. Over the past five years JBG has invested in a significant programme of property rationalisation and fabric investment.

The main activities in property during 2019/20 were:

- Development of an options appraisal document covering all properties (see section on Review of Services)
- Continued implementation of an office rationalisation programme
- Sale of property at Ibrox Business Park

The impact of Covid 19 on JBG's property division has been notable, with many of our premises remaining closed per Government advice. Whilst commercial rental income fell sharply at the onset of the lockdown, collection rates have subsequently increased to 80% (JBG) and 75% (PbJBG) as a result of management intervention – namely regular communication with and provision of non-financial support to Tenants and reintroduction of credit control. JBG has provided a working capital facility to its trading subsidiary (PbJBG) for a fixed period of 2 years to allow rent collection rates to fully recover and for the strategic reviews to be completed. This working capital facility is a commercial investment decision on the part of JBG and shall attract a commercial rate of interest as a return.

Childcare Services

Jobs & Business Glasgow (Rising Stars) is one of the largest childcare service providers in the city and operates a significant childcare portfolio, all focussed on the south and east of the city, with provision for 467 full time children. We also have a mobile play team providing crèche services throughout Glasgow. The focus of JBG childcare services is to provide accessible, affordable and flexible childcare, and the majority of venues are located within some of Glasgow's most disadvantaged communities.

The main activities in childcare during 2019/20 were:

- All nurseries have Partnership Status with Glasgow City Council
- GCC's largest childcare partnership provider
- Obtained highly satisfying grades following Care Inspectorate Audits
- Carried out upgrading works on specified premises.

Prior to the Covid-19 outbreak JBG Rising Stars had committed to supporting Glasgow City Council's plan for the increase in the delivery to 1,140 hours of funded early learning and childcare (ELC) to all 3 and 4 year olds and eligible 2 year olds, by August 2020. This had been a policy set out by the Scottish Government, who in June 2020 conceded that the pandemic had forced the suspension of this target. However in August 2019 Glasgow City Council had introduced an intermediate initiative that enabled all children of Glasgow families with an income of less than £45,000 to be offered up to 900 hours, establishing a universal level of enhanced provision across the sector. This ensured that funded providers did not face an unfair disadvantage compared to Council provision in delivering an enhanced level of provision. GCC has reiterated its commitment to achieving 1,140 hours by August 2020 or as soon as possible thereafter, and JBG will continue to work with The Council to achieve this aim.

Strategic Report (continued)

Review of Services

It is vital that JBG's financial model ensures that the organisation is not reliant on chasing short term funding to cover fixed costs and the inherent risks that result from this. Therefore, to demonstrate that the services JBG currently deliver remain relevant and offer best value for money, the JBG Board have committed to carrying out due diligence exercises 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.

Papers were submitted to the Board in March 2019, providing a history of JBG and its previous incarnations, and outlining the market opportunities and challenges facing each strategic area of the business in the short/medium/long term. The Board were also provided with a detailed analysis of JBG's income and expenditure across all departments, including a breakdown of the GCC Service Fee allocation over the last three operational years. This review is being led by the JBG Board as an entirely separate exercise from the ongoing Council-led review of its Arms-length organisations, although it is agreed that any discussions and findings should be used to inform and constructively contribute to the ongoing GCC ALEO review.

Throughout 2019/20 a number of meetings have taken place with GCC Development and Regeneration Services (DRS) to discuss existing Employability service provision. Throughout 2019 DRS have carried out a review of Employability services that are currently being delivered across the city by GCC departments and its ALEOs. One of the aims of the GCC review is to establish where and how other members of the GCC family deliver Employability services and to establish each department's own terminology of Employability.

DRS does not deliver operational employability activity but sets the strategy, acts as budget holder, commissions delivery of employability interventions and monitors compliance. It is important from a governance perspective that the strategic and operational elements of delivery are separated, to ensure that there is appropriate and objective oversight of delivery in compliance with the terms and conditions of funding. The conclusions and recommendations of this review were presented to the Council in March 2020, who approved the approach to the commissioning of Jobs and Business Glasgow to continue to deliver employability activity on behalf of the Council.

Meanwhile, leading the GCC review of JBG is a steering group consisting of senior officers from GCC Financial and Legal Services. This group was also responsible for previous GCC reviews of Cordia and Community Safety Glasgow and for future ALEO reviews, therefore ensuring consistency of principles and process. JBG's Managing Director also attends this steering group which has met on seven occasions. In addition the group hosted three half-day workshops:

- JBG Strategic Workshop 7/10/2019
- JBG Workshop – Childcare and Property – 23/10/2019
- JBG Workshop – Business & Enterprise and Employability - 25/10/2019

Meanwhile the JBG Board met for a half-day workshop on 1st November 2019 and agreed that Employability is the core objective of JBG and should remain the key focus of service delivery. The Board also approved further discussions with DRS regarding JBG's Business Start Up and Social Enterprise Support services, how they connect with and contribute to DRS' economic development output, and how JBG's Business and Enterprise offer can be better integrated within the city's business support provision.

The Board also requested that further work is undertaken to review JBG's commercial services, and to present a number of potential options for the future shape, structure and direction for both Childcare and Commercial Property services. Due diligence exercises are being carried out into the structure and financial costs of each area of the JBG business to establish efficiency, value for the public pound and potential options.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic Report (continued)

Service Delivery

As a significant contributor to the GCC Economic Strategy, JBG is 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 City's Inclusive Growth Agenda. The organisation 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 service provision centres on supporting clients through an employability progression model providing support from engagement to sustained employment in a way that is consistent with the employability pathway promoted by the Scottish Government (Creating a Fairer Scotland: A New Future for Employability Support in Scotland).

Our delivery model is now designed to ensure that we are as close and accessible as we can be to local communities. During the 2019/20 operating year we have continued to develop the Service Delivery Plan we began rolling out in 2016, delivering services in locations throughout the city with an aim of being within 15 minutes' walk of any potential client.

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 financial, physical and mental wellbeing. In 2019/20 JBG staff recorded 3,836 engagements with unemployed residents and assisted 732 into employment.

As the Council's employability delivery partner JBG was responsible for delivering the Working Matters More programme, the flagship employability element of the Glasgow City Region City Deal. Co-funded by City Deal and DWP, the Working Matters programme had been in existence since 2015 and was aimed at supporting clients with a long history of unemployment and disengagement, and faced with a number of barriers. In April 2019 this programme was extended for a further 15 months and was rebranded by JBG as Working Matters More, and ended in June 2020.

The Company will ensure that clients who had been accessing JBG's services through Working Matters More are not disadvantaged through the conclusion of the programme, and all affected clients will be supported by Work Life Glasgow (WLG), JBG's major employability programme which aims to meet the scope of requirements that Glasgow City Council has listed against the Multiple Barriers lot within Glasgow's Employability Pipeline.

Through this programme JBG offers a package of support that has an emphasis on the physical and mental benefits that employment and training can provide. The Work Life Glasgow programme aims to go further than simply assisting people into work, by also improving their financial, physical and mental wellbeing. WLG is supported by funding from European Social Fund. JBG, through the Service Fee funding of core staff, can provide the match funding for this programme and can ensure that this vital resource is not lost to the City.

Although WLG focusses on engaging with individuals from these disadvantaged groups, JBG accepts that a number of participants would benefit from working with other service providers. JBG continues to undertake regular case-conferencing exercises with other providers across the city to determine the most effective approach to supporting these participants, as well as how best to avoid duplication of provision, and to establish and maintain seamless inter-project referral processes. The Company aims to ensure it is well equipped and ready to secure new business opportunities as they arise, and we will continue to liaise with the city's other third sector organisations to provide support and ensure best practice.

Strategic Report (continued)

Service Delivery (continued)

Both Work Life Glasgow and Working Matters More are complemented by our core citywide employability services, and in addition in 2019/20 JBG also managed a number of projects aimed at providing specialised services to specific client groups:

- As an accredited Modern Apprenticeship provider, JBG recruited and managed apprentices both in-house and on behalf of partner organisations.
- JBG's Transitional Environmental Employment programmes enabled 112 unemployed Glasgow residents the opportunity to gain valuable work experience and vocational qualifications on an 'employed basis'. JBG also recruited eight unemployed clients and provided training as Client Support Assistants, assisting members of the public when making a claim for Universal Credit in the city's libraries and public buildings. Six of the Client Support Assistants progressed into further employment.

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:

Table 1: KPI Performance Summary – 1st April 2019 – 31st March 2020

Key Performance Indicators – Progress April 1st 2019 - March 31st 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	Anticipated to Date	Actual to Date	Variance from Anticipated to Date	% achieved actual / anticipated at assessment date
1	Number of Glasgow residents supported into employment or self-employment	833	833	732	-101	-12%
1a	Number supported into transitional employment	100	100	194	94	94%
1b	Number supported into employment	573	573	485	-88	-15%
1c	Number supported into self-employment	160	160	163	3	2%
2	Number of Glasgow residents supported to become more competitive in the labour market	4,130	4130	3,836	-294	-7%
2a	Number receiving support to secure employment or enter training or education	3,810	3810	3,507	-303	-8%
2b	Number accessing business start-up related advice	320	320	386	66	21%
2c	Number supported to participate in training and personal development activity, achieve a qualification, or undertake further education	1,032	1032	1,115	83	8%

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Strategic Report (continued)

Service Delivery (continued)

Key Performance Indicators – Progress April 1st 2019 - March 31st 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	Anticipated to Date	Actual to Date	Variance from Anticipated to Date		% achieved actual / anticipated at assessment date
3	Number of Glasgow businesses supported to sustain and grow	440	440	507	67	15%
3a	Number of social enterprises supported with capacity building support	150	150	104	-46	-31%
3b	Number of jobs created by supported social enterprises and business start ups	180	180	180	0	0%
3c	Number of SME's supported to access aftercare service	220	220	227	7	3%
3d	Number accessing incubator support	25	25.0	25	0	0%
3e	Number offering job opportunities, job tasters and volunteering placements to JBG clients	60	60	132	72	120%

Strategic Report (continued)

Service Delivery (continued)

Table 2: Client Profile – 1st April 2019 – 31st March 2020

Client Profile - April 1st 2019 to March 31st 2020					
New and continuing client profile	Number			%	
	Registrations and Re-engagements	2,812		73%	
	Continuing	1,024		27%	
Age and gender profile	Age range	Male	Female	Other	
	13-17	147	90	0	
	18-24	497	228	0	
	25-29	297	122	0	
	30-39	523	319	0	
	40-45	262	149	0	
	46-54	426	214	0	
	55-64	396	155	0	
	65+	8	3	0	
	All ages	2556	1280	0	
Scottish Index of Multiple Deprivation residents engaged	Target 2019-20	Anticipated to Date	Actual to Date	Variance from Anticipated to Date	% achieved actual / anticipated at assessment date
	2,685	2,685	2,563	-122	-5%
Area and EDA Profile	Area		Total number of clients supported	Bottom 15% EDA.	
	North East		1,521	74%	
	North West		1,075	60%	
	South		1,240	63%	
	Grand Total		3,836	67%	

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 More 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;
- Considerable time was spent on off-site staff training for Work Life Glasgow;
- Budgetary constraints and lack of staff numbers.

Customer/client surveys

In February 2020, JBG contacted all clients currently engaging with our services and invited them to complete a survey on those services. 99% of customers agreed that they were satisfied or very satisfied with JBG services and 97% of customers declared that they would recommend JBG services. Only a very small number of the comments received suggested areas for improvement and we will act in 2020/21 to improve these areas.

Funders/partners feedback

Over the course of the year we have been subject to audits from Glasgow City Council, Care Inspectorate and Skills Development Scotland (SDS).

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.

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 satisfactory reports in the majority of cases 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.

Changes in organisational structures, system developments, changes in working practices and legislative requirements create a constantly changing control environment. Taking these factors into account, the highest risk areas are brought forward in JBG's annual audit plan. Risk is assessed by considering various factors, including the potential financial impact if controls fail, any changes or new processes/systems that have been implemented and the assessment of senior officers and auditors regarding the effectiveness of controls in key areas. These risk scores are weighted and the highest composite scoring areas are prioritised in the audit plan. Public Sector Internal Audit Standards require that the audit plan should be kept under review to reflect any changing priorities and emerging risks, to ensure the plan remains relevant and reflects any changes to the inherent risks at Jobs & Business Glasgow. The Finance & Audit Committee are asked to approve any material adjustments to the audit plan.

Investors in People Accreditation

In January 2020 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 successfully achieved reaccreditation.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic Report (continued)

Attendance

JBG employee absence rate for 2019/20 was 5.65%, an increase on the previous year. Absence continues to be robustly managed in line with JBG absence and performance management policies.

Challenges

The organisation has also produced a balanced budget for 2019/20 and 2020/21. 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 More programme 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 deficit for the year to March 2020 was £1,690,372. This compares to a net surplus of £2,587,734 for the year to March 2019 (restated). This is a reduction in surplus of £4,278,106.

The charitable group's total income for the year to March 2020 was £11,339,141. This compares to £12,317,277 for the year to March 2019. This is a reduction of £978,136.

The charitable group's total expenditure for the year to March 2020 was £13,202,174. This compares to £10,718,543 for the year to March 2019 (restated). This is an increase of £2,483,631.

In cash flow terms, the bank account showed an in-funds position of £4,689,137 at the beginning of the year and an in-funds position of £6,063,140 at the end of the year. The group therefore generated a positive cashflow during the year of £1,374,003.

The charitable group shows an unrestricted reserve of £13,121,354 (2019 restated: £15,075,269).

Impact of the pension deficit / surplus

As at 31 March 2020, JBG has 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 JBG portion of the surplus as at 31 March 2020, of the Strathclyde Pension Fund is £12,000 (2019: £277,000 deficit). Any deficit would crystallise (that is, be payable) if a cessation event is triggered. A cessation event is triggered if the JBG scheme ceases to have any active members in it, the other employers in the scheme continue to have active members and the pension scheme is in deficit at that time. The surplus in the scheme has not been recognised in the Statement of Financial Position in accordance with accounting standards.

The Trustees will be monitoring this situation very carefully to ensure there is no cessation event in the future.

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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic Report (continued)

Reserves policy

At 31 March 2020, the total funds the group held were £13.2m (2019 restated: £14.8m). Of these, £35k (2019 restated: £49k) were restricted and were not available for the general purposes of the charity. £1.8m (2019 restated: £2.9m) of the total funds were designated, including £1.2m (2019 restated: £2.3m) representing the net book value of the group's tangible fixed assets.

Of the total funds, £9.5m (2019 restated: £11.2m) can only be realised by disposing of tangible fixed assets.

This leaves the group as at 31 March 2020 holding £3.0m (2019 restated: £3.0m) of general funds, after making allowances for restricted funds, designated funds and the carrying amount of functional assets which JBG considers to represent a commitment of the reserves it holds.

The Trustees have examined the company'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 2020/21, three months' expenditure (salaries and project costs) equates to £2.6m. The figure above shows general reserves of £3.0m 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 company's policy for the payment of suppliers for the following financial year is described below.

The Company's standard contractual terms and conditions state a policy of payment of supplier invoices, 30 days after the receipt of a valid invoice.

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 trade creditors being owed at the end of the year totalled £207k within the group. Creditor days equate to 17 days. This is consistent with our standard policy of 30 days.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Strategic Report (continued)

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, and in August 2018 the Board agreed that the full JBG Risk Register should be presented annual to the Board, commencing August 2019. 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
- 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.

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.

Description of Risk	Residual Risk				Owner	Mitigation
	Imp act	Probability	Score (i*p)	D.O.T		
RISK: Loss of commercial revenue from Property & Childcare divisions. CAUSE: UK Lockdown restricting JBG revenue generating operations within Childcare and those of our Commercial Tenants. EFFECT: No commercial Childcare income and Tenants inability to pay their commercial rent and service charges. The trading subsidiary (PbJBG) will require a cash injection from the Charity (JBG) in the form of a commercial loan in the short term.	5	4	20	New	Gary Hay	1. Furloughing of most Childcare and Property staff, reducing pay bill for those employees by 80%. 2. Making contact with Commercial Tenants, offering JBG non-financial support to inform / assist them with claiming available central government funding / grants. 3. Revised cashflow forecasts prepared using latest commercial rental income payment status. 4. Deferring planned strategic expenditure. 5. Key stakeholders are being updated.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Strategic Report (continued)

Risk register (continued)

Table 1: JBG Risk Register						
Description of Risk	Residual Risk				Owner	Mitigation
	Impact	Probability	Score (i*p)	D.O.T		
RISK: 2020/21 Board approved budget does not accurately reflect actual financial performance. CAUSE: UK Lockdown restricting JBG operational activities and revenue generating operations stated within JBG's business plan. EFFECT: Budgetary control and meaningful financial reporting will be impacted.	5	4	20	New	Gary Hay	<ol style="list-style-type: none"> 1. JBG board or GCC may request budget and business plan is prepared again. 2. Preference is for close financial monitoring and preparation of early probable outturn. 3. liaison with key stakeholders
Risk: JBG will experience significant changes to its financial and business model. 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. Effect: Failure of JBG to meet objectives set out in the business plan.	5	3	15	Static	Gary Hay	<ol style="list-style-type: none"> 1. Share with GCC the options paper for JBG model based on each strand of the business 2. implement efficiency savings exercises across the business 3. explore further sharing of resources through partnership working 4. liaise with GCC Legal Services and DRS to keep informed of all internal changes and developments 5. play active role in informing the GCC review. 6. a steering group has been established consisting of senior GCC officers to appraise options for future direction
RISK: Reduction in productivity levels across organisation. CAUSE: JBG will experience service delivery restrictions due to the partnership delivery model; Staff falling into the category of shielding or vulnerable groups will be required to follow SG guidance; labour market is more challenging for JBG clients due to an increase in newly unemployed individuals competing for vacancies; lack of equipment to enable home working for all staff; recruitment for new adviser posts on hold; compliance requirements to verify outputs require face-to-face contact with clients; lack of digital infrastructure to enable video conferencing with clients. EFFECT: Failure to meet objectives and targets laid out in business plan; client-facing services offer reduced value for money.	5	3	15	New	SMT	<ol style="list-style-type: none"> 1. A home working directive is currently in place for all employability staff, including staff falling into the category of shielding. 2. Staff have mobile-enabled ICT equipment that allows them to work from home. 3. Home-working arrangements have enabled employability client services to continue. 4. A regular review of work priorities is carried out addressing the short-term needs of staff and clients. 5. GCC have reached agreement with Scottish Government for a relaxation in the rules around "wet" signatures being required at the registration stage as well as at any progression stage;

Strategic Report (continued)

Risk register (continued)

Description of Risk	Residual Risk				Owner	Mitigation
	Impact	Probability	Score (i*p)	D.O.T		
Risk: Quality of support from CGI does not meet expectations. Cause: Failure by CGI to deliver projects on time; delays in procuring new equipment; lack of progress updates from CGI counterparts. Effect: detrimental impact on staff satisfaction levels; detrimental impact on staff productivity levels; detrimental impact on organisational performance.	4	3	12	Static	Gary Hay	1. Engage with GCC colleagues to share experiences and record risks and issues on a regular basis. 2. Liaise closely with CGI counterparts - account manager, service delivery manager, and service director to ensure that all issues and aspirations are noted. 3. manage expectations of JBG staff and management.

Summary of future plans

There are clearly some significant challenges to address and overcome in the forthcoming year. JBG continues to operate in a challenging financial environment with Public Sector funding continuing to be under significant pressure. At the time of writing, the COVID-19 pandemic is creating unprecedented instability in all areas of life, and the public sector is likely to feel its impact for several years. While JBG is now in a far more stable position, going forward we will continue to be cautious in our approach while also managing a number of issues including:

- Public finances under continuing pressure;
- Major policy changes including Welfare Reforms, particularly Universal Credit, are being introduced that will impact significantly and detrimentally on cities with these being felt acutely in Glasgow;
- The continuing uncertainty over Brexit negotiations and the future of European Funding or its replacement.
- JBG's community-based business model, where advisers offer services from an increased number of community facilities such as libraries and RSL offices, and the impact of Covid-19 on these providers and their facilities
- The challenging economic outlook particularly in some key economic sectors will lead to additional demands on JBG services;
- The increasingly competitive funding environment
- 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 2020/21 below are based on: an assessment of current resources; the previous performance of current resources; targets for ongoing, externally-funded projects; consultation with project managers; and recognition that our services need to complement the ESF funded employability projects that were initiated across Glasgow in 2018.

Strategic Report (continued)

Summary of future plans (continued)

KPI Performance Summary – 1st April, 2020 – 31st March 2021.

The following tables summarise our proposed targets and outputs across all departments for the period 1st April, 2020 – 31st March 2021.

Employability and Skills

Key Performance Indicators – Targets 1st April 2020 - 31st March 2021			
Theme: Contributing to a thriving economy by increasing the employment rate and number of sustainable small businesses in Glasgow			
Key Performance Indicator			Target 2020-21
1	Number of Glasgow residents supported to become more competitive in the labour market		4,130
2	Number of Glasgow residents supported into employment or self-employment		833
3	Percentage of individuals entering and sustaining employment at:*		13 weeks
			26 weeks
4	Percentage of Glasgow residents supported who reside in a SIMD bottom 15% employment deprived neighbourhood		65%

* this is a percentage of those supported into employment who respond to our in work support team

In addition to these headline indicators a comprehensive sub-set of performance indicators and data will be reported to the JBG Board and the Council, including:

- Number supported into transitional employment
- Number supported into employment
- Number of Glasgow residents supported to become more competitive in the labour market
- Number receiving support to secure employment or enter training or education
- Number supported to participate in training and personal development activity, achieve a qualification, or undertake further education
- Number of Glasgow businesses supported to sustain and grow
- Number offering job opportunities, job tasters and volunteering placements to JBG clients
- Number of clients engaged, determined by age group (16-29 yrs; 30-49 yrs, 50+ yrs)
- Number of clients engaged, determined by geographical area
- Number of clients engaged, determined by gender

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Strategic Report (continued)

Summary of future plans (continued)

Enterprise

Key Performance Indicators – Targets April 1st 2020 - March 31st 2021		
Theme: Contributing to a thriving economy by increasing the employment rate and number of sustainable small businesses in Glasgow		
Key Performance Indicator		Target 2020-21
1c	Number supported into self-employment	160
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.

Commercial Property

Key Performance Indicators – Targets April 1st 2020 – March 31st 2021		
	KEY PERFORMANCE INDICATOR	Target 2020-21
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.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Strategic Report (continued)

Summary of future plans (continued)

Childcare

Key Performance Indicators – Targets April 1st 2020 – March 31st 2021		
	KEY PERFORMANCE INDICATOR	Target 2020-21
1	Number of FTE Occupied Places	315
2	Occupancy levels	74%
3	Performance Against Budget	100%
4	Care Inspectorate Grading's	Minimum rating of 4 and above
5	Parental Participation	5 Events

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. 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.

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 unemployment rate recorded in 2019/20 was higher than the Scottish and UK rates, and there are huge endemic health challenges and significant poverty and inequality in parts of the city. All of these factors presented considerable challenges prior to the Covid-19 outbreak, and as with all other major cities across the world, the effects of the pandemic on Glasgow will be huge, but at the time of this report are unknown.

In 2018 Glasgow City Region's GVA per hour worked was estimated to be £30.0, and its GVA per job filled was estimated as £48,585. In the short-term (2015-2018) the GCR's growth in GVA per hour worked was the 2nd lowest among comparable UK City Regions, which can be attributed to poor productivity growth between 2015 and 2017. In the long-term (2008-2018) the GCR's growth in both sub regional productivity measures was above national averages, and has been amongst the top 4 comparable UK City Regions.

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.

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 held 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

Disabled persons

The group recognises its obligations towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demands of the group's operations and the abilities of the disabled persons allow.

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 2020

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:

Peter Marsh
 Francis Paul Scally
 Michael Cullen (resigned 4 April 2019)
 Malcolm Robert Cunning
 Angus Campbell Millar
 Annette Christie (resigned 4 April 2019)
 Gerry Milne
 Nicola Harmon
 Gary Hay
 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 2019 to March 2020.

Date	Cllr Angus Millar	Cllr Laura Doherty	Cllr Rhiannon Spear	Nicola Harmon	Peter Marsh	Cllr Malcolm Cunning	Cllr Franny Scally	Gerry Milne
26th March'19	Y	N/A	N/A	N/A	Y	Y	N	Y
25th June'19	Y	Y	Y	N	Y	Y	Y	N
20th August'19	Y	Y	Y	Y	Y	N	Y	N
27th November'19	Y	Y	N	Y	Y	N	N	N
4th February'20	Y	y	N	N	Y	N	N	Y
6th March'20	Y	Y	N	Y	Y	Y	N	Y
23rd June'20	Y	Y	Y	Y	Y	N	N	N
Total Attended	7	6	3	4	7	3	2	3
Total Absent	0	0	3	2	0	4	5	4

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.

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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Membership

There were two resignations for the Independent Directors– Annette Christie and Michael Cullen resigned on 04/04/2019.

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	David McMillan	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

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 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.

Finance & Audit 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
- the property aspects of the company and subsidiaries

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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Committees (continued)

This committee had traditionally met three times a year; however in February 2020 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.

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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

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 carried out by the Board. At the Board meeting on 29th March 2017 the Board agreed to the pay award strategy for 2020/21. 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:

- 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.

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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

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 Regulation 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.

Post balance sheet events

There are no significant events affecting the group since the year end other than the impact of Covid 19 as explained above.

Auditor

Following the acquisition of Scott-Moncrieff Chartered Accountants by Azets, Scott-Moncrieff Chartered Accountants resigned as auditor and were replaced by Azets Audit Services Limited, trading as Azets Audit Services, a company owned by Azets. Azets Audit Services will be proposed for reappointment 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
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2020

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 2020, 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, the Consolidated and Company Analysis of Net Debt 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 2020 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 regulation 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.

Emphasis of matter – property valuations

We draw attention to Note 16 "Investment property" of the financial statements, which describes the effects of a material uncertainty, caused by Covid-19, on the property valuations. Our opinion is not modified in respect of this matter.

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.

However, because not all future events or conditions can be predicted, this is not a guarantee as to the group and parent charitable company's ability to continue as a going concern. For example, the ongoing effect of Covid-19 on the UK economy is ever-changing and therefore it is difficult to evaluate all the potential implications to the group's and parent charitable company's trade, customers, suppliers and the wide economy.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS
GLASGOW FOR THE YEAR ENDED 31 MARCH 2020**

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.

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.

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 2020**

Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement on pages 23 and 24, 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.

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 parent 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
Azets Audit Services, Statutory Auditor
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 2020
(including an Income and Expenditure Account)

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Pension reserve 2020 £	Total funds 2020 £	Restated Unrestricted funds 2019 £	Restated Restricted funds 2019 £	Pension reserve 2019 £	Restated Total funds 2019 £
Income and endowments from									
Donations and legacies	6	4,239,332	748,741	-	4,988,073	3,987,633	954,000	-	4,941,633
Charitable activities	7	2,607,594	1,393,023	-	4,000,617	3,194,584	1,819,184	-	5,013,768
Investments	8	2,242,131	-	-	2,242,131	2,361,876	-	-	2,361,876
Other		108,320	-	-	108,320	-	-	-	-
Total income		9,197,377	2,141,764	-	11,339,141	9,544,093	2,773,184	-	12,317,277
Expenditure on									
Raising funds	9	(4,876,145)	-	-	(4,876,145)	(2,046,327)	-	-	(2,046,327)
Charitable activities	10	(6,148,155)	(2,125,874)	(52,000)	(8,326,029)	(6,102,404)	(2,524,812)	(45,000)	(8,672,216)
Total expenditure		(11,024,300)	(2,125,874)	(52,000)	(13,202,174)	(8,148,731)	(2,524,812)	(45,000)	(10,718,543)
Net gains on investments	16	(156,339)	-	-	(156,399)	1,115,000	-	-	1,115,000
Net (expenditure)/income for the year									
Transfers between funds	24	(1,983,262)	15,890	(52,000)	(2,019,372)	2,510,362	248,372	(45,000)	2,713,734
		29,347	(29,347)	-	-	363,495	(363,495)	-	-
		(1,953,915)	(13,457)	(52,000)	(2,019,372)	2,873,857	(115,123)	(45,000)	2,713,734
Other recognised gains/(losses)									
Actuarial gain/(loss) on defined benefit pension schemes	23	-	-	329,000	329,000	-	-	(126,000)	(126,000)
Net movement in funds		(1,953,915)	(13,457)	277,000	(1,690,372)	2,873,857	(115,123)	(171,000)	2,587,734
Total funds brought forward (restated)	24	15,075,269	48,771	(277,000)	14,847,040	12,201,412	163,894	(106,000)	12,259,306
Total funds carried forward	24	13,121,354	35,314	-	13,156,668	15,075,269	48,771	(277,000)	14,847,040

All income and expenditure derive from continuing activities.
The notes on pages 34 to 67 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 2020
(including an Income and Expenditure Account)

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Pension reserve 2020 £	Total funds 2020 £	Restated Unrestricted funds 2019 £	Restated Restricted funds 2019 £	Pension reserve 2019 £	Restated Total funds 2019 £
Income and endowments from									
Donations and legacies	6	4,239,332	748,741	-	4,988,073	3,987,633	954,000	-	4,941,633
Charitable activities	7	2,607,594	1,393,023	-	4,000,617	3,194,584	1,819,184	-	5,013,768
Investments	8	1,378,848	-	-	1,378,848	1,492,870	-	-	1,492,870
Other		108,320	-	-	108,320	-	-	-	-
Total income		8,334,094	2,141,764	-	10,475,858	8,675,087	2,773,184	-	11,448,271
Expenditure on									
Raising funds	9	(2,049,485)	-	-	(2,049,485)	(829,098)	-	-	(829,098)
Charitable activities	10	(6,434,778)	(2,125,874)	(52,000)	(8,612,652)	(6,512,450)	(2,524,812)	(45,000)	(9,082,262)
Total expenditure		(8,484,263)	(2,125,874)	(52,000)	(10,662,137)	(7,341,548)	(2,524,812)	(45,000)	(9,911,360)
Net gains on investments	16	(81,339)	-	-	(81,339)	415,000	-	-	415,000
Net (expenditure)/income for the year		(231,508)	15,890	(52,000)	(267,618)	1,748,539	248,372	(45,000)	1,951,911
Transfers between funds	24	29,347	(29,347)	-	-	363,495	(363,495)	-	-
		(202,161)	(13,457)	(52,000)	(267,618)	2,112,034	(115,123)	(45,000)	1,951,911
Other recognised gains/(losses)									
Actuarial gain/(loss) on defined benefit pension schemes	23	-	-	329,000	329,000	-	-	(126,000)	(126,000)
Net movement in funds		(202,161)	(13,457)	277,000	61,382	2,112,034	(115,123)	(171,000)	1,825,911
Total funds brought forward (restated)	24	11,332,078	48,771	(277,000)	11,103,849	9,220,044	163,894	(106,000)	9,277,938
Total funds carried forward	24	11,129,917	35,314	-	11,165,231	11,332,078	48,771	(277,000)	11,103,849

All income and expenditure derive from continuing activities.

The notes on pages 34 to 67 form part of these financial statements

JOBS AND BUSINESS GLASGOW
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	<i>Restated</i> 2019 £
Fixed assets			
Tangible assets	15	1,209,785	2,305,652
Investment properties	16	8,315,000	8,905,000
Investments	17	24,899	24,899
		<u>9,549,684</u>	<u>11,235,551</u>
Current assets			
Debtors	18	1,454,200	1,256,390
Investments – cash deposits		2,000,000	500,000
Cash at bank and in hand		6,063,140	4,689,137
		<u>9,517,340</u>	<u>6,445,527</u>
Creditors: amounts falling due within one year	19	<u>(2,908,345)</u>	<u>(2,557,038)</u>
Net current assets		6,608,995	3,888,489
Provisions	20	(3,002,011)	-
Net assets excluding pension liability		<u>13,156,668</u>	<u>15,124,040</u>
Defined benefit pension scheme liability	23	-	(277,000)
Net assets		<u>13,156,668</u>	<u>14,847,040</u>
Funds			
Restricted funds	24	35,314	48,771
Unrestricted funds	24	13,121,354	15,075,269
Pension reserve	23,24	-	(277,000)
		<u>13,156,668</u>	<u>14,847,040</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 67 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	<i>Restated</i> 2019 £
Fixed assets			
Tangible assets	15	609,711	1,641,178
Investment properties	16	4,325,000	4,840,000
Investments	17	24,999	24,999
		<u>4,959,710</u>	<u>6,506,177</u>
Current assets			
Debtors: amounts falling due after more than one year	18	384,940	520,802
Debtors: amounts falling due within one year	18	1,534,838	1,089,792
Investments- cash deposits		2,000,000	500,000
Cash at bank and in hand		5,857,188	4,444,827
		<u>9,776,966</u>	<u>6,555,421</u>
Creditors: amounts falling due within one year	19	<u>(2,307,010)</u>	<u>(1,680,749)</u>
Net current assets		7,469,956	4,874,672
Provisions	20	(1,264,435)	-
Net assets excluding pension liability		<u>11,165,231</u>	<u>11,380,849</u>
Defined benefit pension scheme liability	23	-	(277,000)
Net assets		<u>11,165,231</u>	<u>11,103,849</u>
Funds			
Restricted funds	24	35,314	48,771
Unrestricted funds	24	11,129,917	11,332,078
Pension reserve	23,24	-	(277,000)
		<u>11,165,231</u>	<u>11,103,849</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 67 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	26	(766,232)	(1,588,759)
Cash flows from investing activities			
Interest and rents from investments		2,242,131	2,361,876
Interest payable		(16,896)	(19,205)
Purchase of property, plant and equipment		-	(32,361)
Proceeds from sale of investment properties		1,190,000	-
Proceeds from sale of property, plant and equipment		225,000	-
Cash investments		(1,500,000)	(500,000)
Cash disinvested		-	1,000,000
Net cash provided by investing activities		2,140,235	2,810,310
Increase in cash and cash equivalents in the year		1,374,003	1,221,551
Cash and cash equivalents at 1 April		4,689,137	3,467,586
Cash and cash equivalents at 31 March		6,063,140	4,689,137

CONSOLIDATED ANALYSIS OF NET DEBT
AS AT 31 MARCH 2020

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Investments – cash deposits	4,689,137	1,374,003	6,063,140
Cash and cash equivalents	500,000	1,500,000	2,000,000
	5,189,137	2,874,003	8,063,140

The notes on pages 34 to 67 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CHARITY STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	26	118,513	(719,534)
Cash flows from investing activities			
Interest and rents from investments		1,378,848	1,492,870
Proceeds from sale of property, plant and equipment		225,000	-
Proceeds from sale of investment properties		1,190,000	-
Cash invested		(1,500,000)	(500,000)
Cash disinvested		-	1,000,000
Net cash provided by investing activities		1,293,848	1,992,870
Increase in cash and cash equivalents in the year		1,412,361	1,273,336
Cash and cash equivalents at 1 April		4,444,827	3,171,491
Cash and cash equivalents at 31 March		5,857,188	4,444,827

CHARITY ANALYSIS OF NET DEBT
AS AT 31 MARCH 2020

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Investments – cash deposits	4,444,827	1,412,361	5,857,188
Cash and cash equivalents	500,000	1,500,000	2,000,000
	4,944,827	2,912,361	7,857,188

The notes on pages 34 to 67 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 2020

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.

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."

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 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. This assessment of going concern includes the expected impact of Covid-19, a commitment of cash flow management support from Glasgow City Council and includes the impact of material uncertainty on the property valuation as per Note 16, to the entity in the 12 months following the signing of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.

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 20).

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 allocation refer to policy (f) below.

- Raising funds expenditure 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 2020

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 11.

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 12. The group owed £31,628 (2019: £nil) to the scheme 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 2020

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	Over 50 years or over the term of the lease, whichever is shorter
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 2020

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 23.

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 2020

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, dilapidations 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 dilapidations provision has been calculated by a qualified property expert 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:

	2020	<i>Restated</i> 2019
	£	£
Turnover	1,138,681	1,265,270
Administrative expenses	(1,072,188)	(1,201,789)
Other operating income	10,949	17,358
Dilapidation costs	(1,737,576)	-
Operating (loss) / profit	(1,660,134)	80,839
Interest receivable and similar income	276	189
Interest payable and similar expenses	(16,896)	(19,205)
Movement in fair value	(75,000)	700,000
Taxation	-	-
(Loss) / profit for the financial year	(1,751,754)	761,823

The assets and liabilities of the subsidiary were:

Fixed assets	600,074	664,474
Investment properties	3,990,000	4,065,000
Current assets	540,775	452,508
Current liabilities	(1,016,796)	(917,889)
Long term creditors	(384,940)	(520,802)
Provisions	(1,737,576)	-
Total net assets	1,991,537	3,743,291
Aggregate capital and reserves	1,991,537	3,743,291

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Related party transactions and trustees' expenses and remuneration

During the year, one (2019: one) Trustee was reimbursed £188 (2019: £73) and no Trustees waived expenses (2019: no Trustees waived expenses).

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	8,572	991	952	184
City Property	-	214	-	72
Glasgow Life	-	37	-	-
City Building	-	336	-	26

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

The charity holds a 50% share in the joint venture Govan Digital Media Centre Limited. Included in the table below is a summary of the transactions and year end balances with Govan Digital Media Centre Limited:

	Income £'000	Expenditure £'000	Debtors £'000	Creditors £'000
Govan Digital Media Centre Limited	7	50	8	12

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

JOBS AND BUSINESS GLASGOW
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

Name	Organisation	Position held
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
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
Gary Hay	Glasgow East Arts Company (resigned 21 January 2020)	Director

6. Income from donations and legacies

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Glasgow City Council	4,987,953	4,940,332	4,987,953	4,940,332
Other grants	120	1,301	120	1,301
	4,988,073	4,941,633	4,988,073	4,941,633

Group and Charity

Included within Glasgow City Council income is £748,741 (2019 restated: £954,000) of restricted income.

7. Income from charitable activities

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Employability	1,647,466	2,931,239	1,647,466	2,931,239
Childcare	2,309,822	2,082,529	2,309,822	2,082,529
Enterprise and social economy	43,329	-	43,329	-
	4,000,617	5,013,768	4,000,617	5,013,768

Group and Charity

JOBS AND BUSINESS GLASGOW
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Included within employability income is £1,393,023 (2019 restated: £1,819,184) of restricted income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Investment income

	Group 2020 £	<i>Group</i> <i>2019</i> £	Charity 2020 £	<i>Charity</i> <i>2019</i> £
Bank interest received	46,549	35,533	46,273	35,344
Property by Jobs & Business Glasgow	863,007	868,817	-	-
Rental income	1,332,575	1,457,526	1,332,575	1,457,526
	2,242,131	2,361,876	1,378,848	1,492,870

At 31 March 2020, the group and charity had minimum lease receipts due under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group</i> <i>2019</i> £	Charity 2020 £	<i>Charity</i> <i>2019</i> £
Not later than one year	1,297,521	1,270,893	723,013	766,508
Later than one year and not later than five years	240,032	278,790	143,488	191,291
Later than five years	233,932	90,798	134,912	74,872
	1,771,485	1,640,481	1,001,413	1,032,671

9. Raising funds – expenditure on investment activities

	Group 2020 £	<i>Group</i> <i>2019</i> £	Charity 2020 £	<i>Charity</i> <i>2019</i> £
Property rental costs	2,049,485	825,333	2,049,485	829,098
Property by Jobs & Business Glasgow	2,826,660	1,220,994	-	-
	4,876,145	2,046,327	2,049,485	829,098

JOBS AND BUSINESS GLASGOW
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Expenditure on charitable activities

Group - 2020	Employability	Childcare	Enterprise & social economy	Total
	£	£	£	£
Staff costs	2,142,933	1,964,830	350,321	4,458,084
Property	42,980	240,193	6,320	289,493
Transport	-	38,679	-	38,679
Supplies & services	1,324,613	117,642	35,343	1,477,598
Governance costs (note 11)	8,813	7,774	1,655	18,242
Support costs (note 11)	987,489	870,975	185,469	2,043,933
	4,506,828	3,240,093	579,108	8,326,029

Group - 2019	<i>Employability</i>	<i>Childcare</i>	<i>Enterprise & social economy</i>	<i>Total</i>
	£	£	£	£
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 11)	8,686	7,579	1,548	17,813
Support costs (note 11)	1,111,558	969,884	198,027	2,279,469
	4,864,823	3,225,134	582,259	8,672,216

Charity - 2020	Employability	Childcare	Enterprise & social economy	Total
	£	£	£	£
Staff costs	2,142,933	1,964,830	350,321	4,458,084
Property	78,420	319,473	17,156	415,049
Transport	-	39,827	-	39,827
Supplies & services	1,361,059	117,642	35,343	1,514,044
Governance costs (note 11)	8,813	7,774	1,655	18,242
Support costs (note 11)	1,047,143	923,590	196,673	2,167,406
	4,638,368	3,373,136	601,148	8,612,652

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Expenditure on charitable activities (continued)

Charity - 2019	<i>Employability</i>	<i>Childcare</i>	<i>Enterprise & social economy</i>	<i>Total</i>
	£	£	£	£
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 11)	8,686	7,579	1,548	17,813
Support costs (note 11)	1,201,891	1,048,704	214,120	2,464,715
	<u>4,968,401</u>	<u>3,515,470</u>	<u>598,391</u>	<u>9,082,262</u>

11. Allocation of governance and support costs

Group – 2020	Employability	Childcare	Enterprise & social economy	Total
Support costs	£	£	£	£
Salaries	493,917	435,638	92,766	1,022,321
Stationery	3,718	3,280	698	7,696
Property related	489,854	432,057	92,005	1,013,916
	<u>987,489</u>	<u>870,975</u>	<u>185,469</u>	<u>2,043,933</u>

Governance Cost	Total
	£
Audit fee	<u>18,242</u>

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

	Total
	£
Employability	8,813
Childcare	7,774
Enterprise & social economy	<u>1,655</u>
	<u>18,242</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Allocation of governance and support costs (continued)

Group – 2019			<i>Enterprise & social economy</i>	<i>Total</i>
Support costs	<i>Employability</i>	<i>Childcare</i>	<i>economy</i>	<i>Total</i>
	£	£	£	£
Salaries	462,204	403,294	82,343	947,841
Stationery	3,278	2,860	584	6,722
Property related	646,076	563,730	115,100	1,324,906
	<u>1,111,558</u>	<u>969,884</u>	<u>198,027</u>	<u>2,279,469</u>

Governance Cost	Total
	£

Audit fee	<u>17,813</u>
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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 group's activities based on budgeted staff costs for each activity.

Charity - 2020			Enterprise & social economy	Total
Support costs	Employability	Childcare	economy	Total
	£	£	£	£
Salaries	493,917	435,638	92,766	1,022,321
Stationery	3,718	3,280	698	7,696
Property related	549,508	484,672	103,209	1,137,389
	<u>1,047,143</u>	<u>923,590</u>	<u>196,673</u>	<u>2,167,406</u>

Governance Cost	Total
	£

Audit fee	<u>18,242</u>
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JOBS AND BUSINESS GLASGOW
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Allocation of governance and support costs (continued)

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

	Total
	£
Employability	8,813
Childcare	7,774
Enterprise & social economy	1,655
	18,242

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

Charity – 2019	<i>Enterprise & social economy</i>			<i>Total</i>
Support costs	<i>Employability</i>	<i>Childcare</i>	<i>economy</i>	<i>Total</i>
	£	£	£	£
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 costs				Total
				£
Audit fee				<u>17,813</u>

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Staff costs and remuneration of key management personnel

	Group 2020	<i>Group 2019</i>	Charity 2020	<i>Charity 2019</i>
	£	£	£	£
Salaries and wages	4,881,344	4,822,474	4,725,028	4,668,661
Social security costs	364,281	363,619	353,832	350,698
Pension costs in relation to defined benefit pension schemes	45,000	34,000	45,000	34,000
Employer pension contributions	197,741	183,171	192,912	177,587
	5,488,366	<i>5,403,264</i>	5,316,772	<i>5,230,946</i>

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

	Group 2020	<i>Group 2019</i>	Charity 2020	<i>Charity 2019</i>
	No.	No.	No.	No.
£60,001 - £70,000	1	2	1	2
£70,001 - £80,000	1	-	1	-

	Group 2020	<i>Group 2019</i>	Charity 2020	<i>Charity 2019</i>
	£	£	£	£
The pension contributions for the above employees were	22,005	<i>23,282</i>	22,005	<i>23,282</i>

	Group 2020	<i>Group 2019</i>	Charity 2020	<i>Charity 2019</i>
	No.	No.	No.	No.
The average weekly number of persons, by headcount, employed during the year was:	236	<i>241</i>	227	<i>234</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 2020	<i>Group 2019</i>	Charity 2020	<i>Charity 2019</i>
	£	£	£	£
Salaries	267,291	254,130	267,291	254,130
Social security costs	23,040	21,372	23,040	21,372
Employer pension contributions	25,506	29,444	25,506	29,444
	315,837	<i>304,946</i>	315,837	<i>304,946</i>

The acting Head of Finance (2019: acting Head of Finance) 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. 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 (2019: £nil).

13. Net (expenditure)/income for the year

This is stated after charging:

	Group 2020 £	<i>Group</i> <i>2019</i> £	Charity 2020 £	<i>Charity</i> <i>2019</i> £
Depreciation	247,472	283,110	158,448	211,461
Impairment reversal	(24,624)	(93,750)	-	(69,126)
Fees payable to the auditor				
- Parent audit fee	18,242	17,813	18,242	17,813
- Parent accounts preparation fee	4,542	4,542	4,542	4,542
- Subsidiary audit fee	11,524	11,524	-	-
- Subsidiary accounts preparation fee	1,305	1,305	-	-
- Subsidiary corporation tax fee	769	769	-	-
Operating lease rentals				
- Property	77,016	77,016	61,395	61,395

14. Government grants

Group and charity

Income from government grants comprises:

		2020 £	2019 £
GCC Services contract	a)	4,891,400	4,821,850
GCC Integrated grants	b)	-	33,418
GCC Childcare strategy	c)	-	84,038
GCC Assisted garden maintenance	d)	671,060	954,000
GCC Glasgow guarantee	e)	70,000	63,000
GCC Nursery partnership funds	f)	620,516	229,724
GCC Secondments	g)	96,553	118,482
GCC Make safe squad	h)	30,748	29,159
GCC Working matters	i)	27,597	1,417,189
GCC Working matters more	j)	180,114	-
GCC Additional supported needs	k)	96,390	14,311
GCC Glasgow guarantee – childcare	l)	-	64,796
GCC Graduate programme	m)	(11,730)	21,088
Skills Development Scotland	n)	74,303	214,612
European Social Fund	o)	478,897	128,594
		7,225,848	8,194,261

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. 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 – 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.

(j) GCC – Working matters more

Successor programme to the Working Matters programme, funded for twelve months, providing intensive support to clients in receipt of health-related benefits.

(k) GCC – Additional supported needs

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

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NOTES TO THE FINANCIAL STATEMENTS
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14. Government grants (continued)

- (l) GCC – Glasgow guarantee – childcare
Funding for Modern Apprenticeship's in childcare settings.
- (m) GCC – Graduate programme
Funding from GCC's Early Years programme to support childcare graduate placements.
- (n) Skills Development Scotland
Funding for the Youth Employability Service and Modern Apprentice Projects aimed at providing employability training to young people.
- (o) European Social Fund
Funding aimed at supporting a range of youth and mainstream employability projects.

15. Tangible fixed assets

Group	Freehold land & buildings £	Leasehold properties £	Plant & machinery £	Computer equipment £	Total £
Cost					
At 1 April 2019 (restated)	930,235	7,570,716	428,841	1,208,409	10,138,201
Disposals	-	(451,012)	-	-	(451,012)
Transfer to investment property	-	(5,069,538)	-	-	(5,069,538)
At 31 March 2020	930,235	2,050,166	428,841	1,208,409	4,617,651
Depreciation					
At 1 April 2019 (restated)	705,859	5,814,538	103,743	1,208,409	7,832,549
Charge for the year	5,149	183,072	59,251	-	247,472
Impairment reversal	-	(24,624)	-	-	(24,624)
Released on disposals	-	(334,332)	-	-	(334,332)
Transfer to investment property	-	(4,313,199)	-	-	(4,313,199)
At 31 March 2020	711,008	1,325,455	162,994	1,208,409	3,407,866
Net book value					
At 31 March 2020	219,227	724,711	265,847	-	1,209,785
<i>At 31 March 2019 (restated)</i>	<i>224,376</i>	<i>1,756,178</i>	<i>325,098</i>	<i>-</i>	<i>2,305,652</i>

JOBS AND BUSINESS GLASGOW
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Tangible fixed assets (continued)

Charity	Freehold land & buildings £	Leasehold properties £	Computer equipment £	Total £
Cost				
At 1 April 2019	672,955	6,339,529	1,208,409	8,220,893
Disposals	-	(451,012)	-	(451,012)
Transfer to investment property	-	(5,069,538)	-	(5,069,538)
At March 2020	<u>672,955</u>	<u>818,979</u>	<u>1,208,409</u>	<u>2,700,343</u>
Depreciation				
At 1 April 2019 (restated)	632,955	4,738,351	1,208,409	6,579,715
Charge for the year	-	158,448	-	158,448
Released on disposals	-	(334,332)	-	(334,332)
Transfer to investment property	-	(4,313,199)	-	(4,313,199)
At 31 March 2020	<u>632,955</u>	<u>249,268</u>	<u>1,208,409</u>	<u>2,090,632</u>
Net book value				
At 31 March 2020	<u>40,000</u>	<u>569,711</u>	<u>-</u>	<u>609,711</u>
<i>At 31 March 2019 (restated)</i>	<u>40,000</u>	<u>1,601,178</u>	<u>-</u>	<u>1,641,178</u>

16. Investment property

	Group 2020 £	<i>Restated</i> Group 2019 £	Charity 2020 £	Charity 2019 £
At 1 April 2019	8,905,000	7,790,000	4,840,000	4,425,000
Transfer from tangible fixed assets	756,339	-	756,339	-
Revaluation	(156,339)	1,115,000	(81,339)	415,000
Disposals	(1,190,000)	-	(1,190,000)	-
At 31 March 2020	<u>8,315,000</u>	<u>8,905,000</u>	<u>4,325,000</u>	<u>4,840,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. Investment property (continued)

The fair value of the investment properties has been arrived at on the basis of a valuation carried out at 31 March 2020 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. Due to the current Covid-19 pandemic the valuer included the following statement surrounding market uncertainty within their valuation report:

“The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, has impacted many aspects of daily life and the global economy – with real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this property is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation/s contained within this report under frequent review.”

17. Fixed asset investments

	Group 2020	<i>Group 2019</i>	Charity 2020	<i>Charity 2019</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 (2019: £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 (2019: £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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Debtors

Amounts falling due within one year	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Trade debtors	144,764	204,478	48,665	106,644
Other debtors & prepayments	248,441	361,881	245,754	257,690
Accrued income	715,521	633,634	680,420	633,634
Amounts due from group entities	345,474	56,397	559,999	91,824
	1,454,200	<i>1,256,390</i>	1,534,838	<i>1,089,792</i>

Group trade debtors is shown net of the bad debt provision of £138,439 (2019: £134,718). Charity trade debtors is shown net of the bad debt provision of £57,131 (2019: £53,410). 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 £384,940 (2019: £520,802) due in more than one year.

19. Creditors: amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Trade creditors	207,111	215,259	135,084	127,234
Sundry creditors	1,944	49,186	1,944	49,186
Other creditors and accruals	1,119,819	1,365,271	755,205	873,536
Deferred income (note 21)	952,955	549,475	622,519	263,045
Taxation and social security costs	463,006	375,692	427,812	359,420
Amounts due to group entities	163,510	2,155	364,446	8,328
	3,350,325	<i>2,557,038</i>	2,307,010	<i>1,680,749</i>

Securities

Bank of Scotland hold a standard security over 150 Brand Street and Moorpark Industrial Estate.

20. Provisions

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Dilapidations provision	2,560,031	-	1,264,435	-

The dilapidations provision was valued by Hardies Property & Construction Consultants.

21. Deferred income

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
At 1 April	549,475	240,330	263,045	240,330
Released in the year	(549,475)	(240,330)	(263,045)	(240,330)
Deferred in the year	952,955	549,475	622,519	263,045
At 31 March	952,955	<i>549,475</i>	622,519	<i>263,045</i>

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21. Deferred income (continued)

Income is deferred when it relates to rent received in advance of the rental period. Refundable deposits are also included within deferred income. Deferred income also includes grant income which has been deferred.

	Group 2020 £	<i>Group</i> <i>2019</i> £	Charity 2020 £	<i>Charity</i> <i>2019</i> £
Deposits	198,379	229,983	101,351	132,575
Rents in advance	352,465	319,492	119,057	130,470
Grant income	402,111	-	402,111	-
	952,955	549,475	622,519	263,045

22. Deferred taxation

Group	2020 £	<i>2019</i> £
At beginning of year	-	-
Charged to Statement of Financial Activities	-	-
At end of year	-	-

23. 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:

	2020 % p.a.	<i>2019</i> <i>% p.a.</i>
Inflation/pension increase rate	1.9%	2.5%
Salary increase rate	3.0%	3.7%
Discount rate	2.3%	2.4%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 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	20.7 years	22.9 years
Future pensioners	22.2 years	24.6 years

The net pension liability was:

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23. Pension commitments (continued)

	2020	2019
	£'000	£'000
Fair value of scheme assets	4,295	4,534
Present value of scheme liabilities	(4,283)	(4,811)
Unrecognised surplus	(12)	-
Net pension liability	-	(277)

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

Reconciliation of fair value of scheme assets	2020	2019
	£'000	£'000
Opening fair value of scheme assets	4,534	4,247
Expected return on assets	108	116
Contributions by members	13	12
Contributions by employer	26	27
Actuarial (loss)/gain	(299)	217
Estimated benefits paid	(87)	(85)
	4,295	4,534

Reconciliation of present value of scheme liabilities	2020	2019
	£'000	£'000
Opening present value of scheme liabilities	4,811	4,353
Current service cost	71	61
Past service cost	-	10
Interest cost	115	117
Contributions by members	13	12
Actuarial (gain)/loss	(640)	343
Estimated benefits paid	(87)	(85)
	4,283	4,811

The assets in the scheme were:

	Value at 31	% of	<i>Value at 31</i>	<i>% of scheme</i>
	March 2020	scheme	<i>March 2019</i>	<i>assets</i>
	£000	assets	<i>£000</i>	
Equities	2,534	59%	2,902	64%
Bonds	1,117	26%	1,088	24%
Property	558	13%	453	10%
Cash	86	2%	91	2%
Fair value of scheme assets	4,295		4,534	
Present value of liabilities	(4,283)		(4,811)	
Unrecognised surplus	(12)		-	
Deficit in scheme	-		(277)	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

23. Pension commitments (continued)

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

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Scheme assets	4,295	4,534	4,247	4,269	3,310
Scheme liabilities	(4,283)	(4,811)	(4,353)	(5,346)	(4,015)
Unrecognised surplus	(12)	-	-	-	-
Deficit	-	(277)	(106)	(1,077)	(705)

	2020	2019
	£'000	£'000
Experience adjustments on scheme assets	(299)	217
Experience adjustments on scheme liabilities	640	(343)

Amount charged to staff costs (note 12):

	2020	2019
	£'000	£'000
Current service costs	71	61
Past service cost	-	10
Total operating charge	71	71
Less: contributions paid	(26)	(27)
Current service cost provision	45	44

Amount charged to support costs (note 11):

	2020	2019
	£'000	£'000
Expected return on scheme assets	108	116
Interest on scheme liabilities	(115)	(117)
Net cost	(7)	(1)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

23. Pension commitments (continued)

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

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Changes in value of scheme assets: actuarial (loss)/gain	(299)	<i>217</i>
Changes value of scheme liabilities: actuarial gain/(loss)	640	<i>(343)</i>
Unrecognised surplus	(12)	<i>-</i>
Actuarial gain/(loss) recognised in SOFA	329	<i>(126)</i>

Movement in deficit during the year

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Deficit at the beginning of the year	(277)	<i>(106)</i>
Movement in year:		
Current service cost	(71)	<i>(61)</i>
Past service cost	-	<i>(10)</i>
Employer contributions	26	<i>27</i>
Net (cost) on pension scheme	(7)	<i>(1)</i>
Actuarial gain/(loss)	329	<i>(126)</i>
Deficit at the end of year	-	<i>(277)</i>

The estimated employer's contributions for the year to 31 March 2021 are £31,000.

JOBS AND BUSINESS GLASGOW
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

24. Funds reconciliation

Group	Restated As at 1 April 2018 £	Restated Income and endowments £	Restated Expenditure £	Restated Transfers £	Gains/ (losses) £	Restated As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2020 £
Unrestricted funds											
Designated funds											
Assisted garden maintenance	-	150,000	-	-	-	150,000	150,000	(136,543)	-	-	163,457
Tangible fixed assets	2,462,651	-	(189,360)	32,361	-	2,305,652	-	(222,848)	(873,019)	-	1,209,785
Capital redemption reserve	300,000	-	-	-	-	300,000	-	-	-	-	300,000
Employability	-	-	-	100,000	-	100,000	-	-	-	-	100,000
Total designated funds	2,762,651	150,000	(189,360)	132,361	-	2,855,652	150,000	(359,391)	(873,019)	-	1,773,242
General funds	9,438,761	9,394,093	(7,959,371)	231,134	1,115,000	12,219,617	9,047,377	(10,664,909)	902,366	(156,339)	11,348,112
Total unrestricted funds	12,201,412	9,544,093	(8,148,731)	363,495	1,115,000	15,075,269	9,197,377	(11,024,300)	29,347	(156,339)	13,121,354

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

23. Funds reconciliation (continued)

Group (continued)	Restated As at 1 April 2018 £	Restated Income and endowments £	Restated Expenditure £	Restated Transfers £	Gains/ (losses) £	Restated As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2020 £
Restricted funds											
The Big Lottery	33,024	-	2,290	-	-	35,314	-	-	-	-	35,314
Assisted garden maintenance	95,338	954,000	(1,071,413)	35,532	-	13,457	671,060	(684,517)	-	-	-
Make safe squad	-	29,159	(29,159)	-	-	-	30,748	(30,748)	-	-	-
Employability – additional support needs	-	14,311	(14,311)	-	-	-	1,750	-	(1,750)	-	-
Clyde Gateway	-	33,500	(33,500)	-	-	-	12,500	(12,500)	-	-	-
Environmental task force	35,532	-	-	(35,532)	-	-	-	-	-	-	-
Working matters	-	1,417,189	(1,053,694)	(363,495)	-	-	27,597	-	(27,597)	-	-
Working matters more	-	-	-	-	-	-	180,113	(180,113)	-	-	-
ESF – Work Life Glasgow	-	325,025	(325,025)	-	-	-	1,217,996	(1,217,996)	-	-	-
Total restricted funds	163,894	2,773,184	(2,524,812)	(363,495)	-	48,771	2,141,764	(2,125,874)	(29,347)	-	35,314
Pension reserve	(106,000)	-	(45,000)	-	(126,000)	(277,000)	-	(52,000)	-	329,000	-
Total funds	12,259,306	12,317,277	(10,718,543)	-	989,000	14,847,040	11,339,141	(13,202,174)	-	172,661	13,156,668

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

24. Funds reconciliation (continued)

Charity	Restated As at 1 April 2018 £	Restated Income and endowments £	Restated Expenditure £	Restated Transfers £	Gains/ (losses) £	Restated As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2020 £
Unrestricted funds											
Designated funds		-									
Assisted garden maintenance	-	150,000	-	-	-	150,000	150,000	(136,543)	-	-	163,457
Tangible fixed assets	1,783,513	-	(142,335)	-	-	1,641,178	-	(158,448)	(873,019)	-	609,711
Employability	-	-	-	100,000	-	100,000	-	-	-	-	100,000
Total designated funds	1,783,513	150,000	(142,335)	100,000	-	1,891,178	150,000	(294,991)	(873,019)	-	873,168
General funds	7,436,531	8,525,087	(7,199,213)	263,495	415,000	9,440,900	8,184,094	(8,189,272)	902,366	(81,339)	10,256,749
Total unrestricted funds	9,220,044	8,675,087	(7,341,548)	363,495	415,000	11,332,078	8,334,094	(8,484,263)	29,347	(81,339)	11,129,917

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NOTES TO THE FINANCIAL STATEMENTS
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24. Funds reconciliation (continued)

Charity (continued)	Restated As at 1 April 2018 £	Restated Income and endowments £	Restated Expenditure £	Restated Transfers £	Gains/ (losses) £	Restated As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2020 £
Restricted funds											
The Big Lottery	33,024	-	2,290	-	-	35,314	-	-	-	-	35,314
Assisted garden maintenance	95,338	954,000	(1,071,413)	35,532	-	13,457	671,060	(684,517)	-	-	-
Make safe squad	-	29,159	(29,159)	-	-	-	30,748	(30,748)	-	-	-
Employability – additional support needs	-	14,311	(14,311)	-	-	-	1,750	-	(1,750)	-	-
Clyde Gateway	-	33,500	(33,500)	-	-	-	12,500	(12,500)	-	-	-
Environmental task force	35,532	-	-	(35,532)	-	-	-	-	-	-	-
Working matters	-	1,417,189	(1,053,694)	(363,495)	-	-	27,597	-	(27,597)	-	-
Working matters more	-	-	-	-	-	-	180,113	(180,113)	-	-	-
ESF – Work Life Glasgow	-	325,025	(325,025)	-	-	-	1,217,996	(1,217,996)	-	-	-
Total restricted funds	163,894	2,773,184	(2,524,812)	(363,495)	-	48,771	2,141,764	(2,125,874)	(29,347)	-	35,314
Pension reserve	(106,000)	-	(45,000)	-	(126,000)	(277,000)	-	(52,000)	-	329,000	-
Total funds	9,277,938	11,448,271	(9,911,360)	-	289,000	11,103,849	10,475,858	(10,662,137)	-	247,661	11,165,231

24. 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.

Tangible fixed assets

The fund reflects the net book value of 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 2020/20 in order to deliver greater employment options to beneficiaries

- b) Restricted funds comprise of the following funds:

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.

Assisted garden maintenance

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

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.

Employability – additional support needs

Engagement and advice and guidance to clients at all stages of employability pipeline.

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.

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.

Working matters more

Successor programme to the Working Matters programme, funded for twelve months, providing intensive support to clients in receipt of health-related benefits.

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24. Funds reconciliation (continued)

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

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

£873,019 was transferred from the tangible fixed asset designated fund, which represents the movement in fixed asset for the year (excluding the depreciation and impairment charge).

25. Analysis of net assets between funds

Group - 2020	Unrestricted funds £	Restricted funds £	Pension reserve £	Total 2020 £
Tangible fixed assets	1,209,785	-	-	1,209,785
Investment properties	8,315,000	-	-	8,315,000
Fixed asset investments	24,899	-	-	24,899
Debtors	1,454,200	-	-	1,454,200
Cash and cash deposits	8,027,826	35,314	-	8,063,140
Current liabilities	(2,908,345)	-	-	(2,908,345)
Long term liabilities	(3,002,011)	-	-	(3,002,011)
Pension liability	-	-	-	-
	13,121,354	35,314	-	13,156,668

Group - 2019	<i>Restated Unrestricted funds £</i>	<i>Restated Restricted funds £</i>	<i>Pension reserve £</i>	<i>Restated Total 2019 £</i>
Tangible fixed assets	2,305,652	-	-	2,305,652
Investment properties	8,905,000	-	-	8,905,000
Fixed asset investments	24,899	-	-	24,899
Debtors	1,256,390	-	-	1,256,390
Cash and cash deposits	5,140,366	48,771	-	5,189,137
Current liabilities	(2,557,038)	-	-	(2,557,038)
Pension liability	-	-	(277,000)	(277,000)
	15,075,269	48,771	(277,000)	14,847,040

Charity - 2020	Unrestricted funds £	Restricted funds £	Pension reserve £	Total 2020 £
Tangible fixed assets	609,711	-	-	609,711
Investment properties	4,325,000	-	-	4,325,000
Fixed asset investments	24,999	-	-	24,999
Debtors	1,919,778	-	-	1,919,778
Cash and cash deposits	7,821,874	35,314	-	7,857,188
Current liabilities	(2,307,010)	-	-	(2,307,010)
Long term liabilities	(1,264,435)	-	-	(1,264,435)
Pension liability	-	-	-	-
	11,129,917	35,314	-	11,165,231

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

25. Analysis of net assets between funds (continued)

Charity - 2019	<i>Restated Unrestricted funds £</i>	<i>Restated Restricted funds £</i>	<i>Pension reserve £</i>	<i>Restated Total 2019 £</i>
Tangible fixed assets	1,641,178	-	-	1,641,178
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	4,896,056	48,771	-	4,944,827
Current liabilities	(1,680,749)	-	-	(1,680,749)
Pension liability	-	-	(277,000)	(277,000)
	<u>11,332,078</u>	<u>48,771</u>	<u>(277,000)</u>	<u>11,103,849</u>

26. Reconciliation of net (expenditure)/income to net cash flow from operating activities

Group	2020 £	<i>Restated 2019 £</i>
Net (expenditure)/income for the year	(2,019,372)	2,713,734
Adjustments for:		
Depreciation charges	247,472	283,110
Impairment	(24,624)	(93,750)
Gain on sale of property, plant and equipment	(108,320)	-
Net gains on investments	156,339	(1,115,000)
Pension fund charge	52,000	45,000
Interest and rents from investments	(2,242,131)	(2,361,876)
Interest payable	16,896	19,205
Movement in debtors	(197,810)	269,557
Movement in creditors	351,307	(1,348,739)
Movement in provisions	3,002,011	-
Net cash used in operating activities	(766,232)	(1,588,759)

Charity	2020 £	<i>Restated 2019 £</i>
Net (expenditure)/income for the year	(267,618)	1,951,911
Adjustments for:		
Depreciation charges	158,448	211,461
Impairment	-	(69,126)
Interest and rents from investments	(1,378,848)	(1,492,870)
Gain on sale of property, plant and equipment	(108,320)	-
Net gains on investments	81,339	(415,000)
Pension fund charge	52,000	45,000
Movement in debtors	(309,184)	296,780
Movement in creditors	626,261	(1,247,690)
Movement in provisions	1,264,435	-
Net cash provided by/(used in) operating activities	118,513	(719,534)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

27. Operating leases commitments

At 31 March 2020 the group and charity had for future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Not later than 1 year	51,405	77,016	35,780	61,391
Later than 1 year and not later than 5 years	153,700	153,700	91,200	91,200
Later than 5 years	2,860,850	2,899,275	2,392,100	2,414,900
	3,065,955	3,129,991	2,519,080	2,567,491

Equipment

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Not later than 1 year	1,412	-	1,412	-
Later than 1 year and not later than 5 years	941	-	941	-
	2,353	-	2,353	-

28. Prior year adjustments

Group

During the year, it was identified that two assets within tangible fixed assets (leasehold properties) were impaired as at 31 March 2019 and 31 March 2018. The impairment charge had not been included within the 31 March 2019 or 31 March 2018 financial statements.

During the year, it was identified that restricted income had been incorrectly classified as unrestricted income in the 31 March 2019 financial statements. These misstatements did not impact the stated net movement in funds or total funds balance.

During the year, it was identified that an investment property had been omitted from the 31 March 2019 and 31 March 2018 financial statements.

During the year, it was identified that two mixed use properties had not been accounted for correctly. Accounting standards state that the portion of a property held for the use of the company should be held in tangible fixed assets. For one mixed use property, the portion used by the company was omitted from tangible fixed assets in the 31 March 2019 and 31 March 2018 financial statements. Another mixed use property was omitted from the tangible fixed assets and investment property in the 31 March 2019 and 31 March 2018 financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

28. Prior year adjustments (continued)

Restated Statement of Financial Position

	2018
	£
Total funds as at 31 March 2018 signed account	14,668,291
Impairment of leasehold properties	(3,335,478)
Inclusion of investment property	400,000
Inclusion of mixed use properties	526,493
	<hr/>
Restated funds as at 31 March 2018	12,259,306
	<hr/> <hr/>

Restated Statement of Financial Position

	2019
	£
Total funds as at 31 March 2019 signed account	17,191,520
Inclusion of impairment of leasehold properties	(3,335,478)
Inclusion of reversal of impairment of leasehold properties	69,126
Inclusion of investment property	400,000
Inclusion of mixed use properties	526,493
Inclusion of depreciation and impairment	(4,621)
	<hr/>
Restated funds as at 31 March 2019	14,847,040
	<hr/> <hr/>

Restated Statement of Financial Activities

	2019
	£
Net movement in funds per signed financial statements for the year ended 31 March 2019	2,523,229
Inclusion of reversal of impairment of leasehold properties	69,126
Inclusion of depreciation and impairment	(4,621)
	<hr/>
Restated net movement in funds for the year ended 31 March 2019	2,587,734
	<hr/> <hr/>

Charity

During the year, it was identified that two assets within tangible fixed assets (leasehold properties) were impaired as at 31 March 2019 and 31 March 2018. The impairment charge had not been included within the 31 March 2019 or 31 March 2018 financial statements.

During the year, it was identified that restricted income had been incorrectly classified as unrestricted income in the 31 March 2019 financial statements. These misstatements did not impact the stated net movement in funds or total funds balance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

28. Prior year adjustments (continued)

Restated Statement of Financial Position

	2018
	£
Total funds as at 31 March 2018 signed account	12,613,416
Inclusion of impairment of leasehold properties	(3,335,478)
	<u>9,277,938</u>
Restated funds as at 31 March 2018	<u><u>9,277,938</u></u>
	2019
	£
Total funds as at 31 March 2019 signed account	14,370,201
Inclusion of impairment of leasehold properties	(3,335,478)
Inclusion of reversal of impairment of leasehold properties	69,126
	<u>11,103,849</u>
Restated funds as at 31 March 2018	<u><u>11,103,849</u></u>
	2019
	£
Net movement in funds per signed financial statements for the year ended 31 March 2019	1,756,785
Inclusion of reversal of impairment of leasehold properties	69,126
	<u>1,825,911</u>
Restated net movement in funds for the year ended 31 March 2019	<u><u>1,825,911</u></u>