



JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMPANY REGISTRATION NUMBER: SC108565
CHARITY NUMBER: SC023930

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JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)
COMPANY INFORMATION

Trustees

Peter Marsh
Angus Campbell Millar (Chair)
Gerry Milne
Nicola Harmon
Gary Hay
Rhiannon Spear
Laura Doherty
Ruairi Kelly
Jill Brown

Secretary

David McMillan

Senior management team

Gary Hay
Tommy Docherty
Zoe Welsh
David McMillan

Registered office

94 Duke Street
Glasgow
G4 0UW

Charity number

SC023930

Company number

SC108565

Auditor

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

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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REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

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 2021.

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 sourcing or 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)
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Objectives

In striving to achieve this vision, the overall service activity delivered by JBG in 2020/21 was 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

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.

Covid-19 pandemic and JBG impact and response

Since March 2020 JBG, alongside other members of the Council Family, has responded to the Covid-19 pandemic and the need to implement a range of measures to contribute to slowing the spread of the virus. The response was underpinned by the need to maintain critical functions and to continue to deliver essential frontline services to support vulnerable customers and businesses, and to ensure the safety and wellbeing of all staff.

On 2nd March 2020 JBG's Covid-19 Local Implementation Group was established, chaired by the Managing Director and comprising all members of SMT and relevant responsible officers. This group met each day at the start of business, to review national/government updates and to establish/agree relevant JBG responses and actions.

JBG's Business Continuity Plan is closely aligned with Disaster Recovery which in turn largely concentrates on physical assets such as plant and property. The Covid pandemic however presented a new, unforeseen threat that in the immediate and ongoing term required an alternative response.

Both the Westminster and Scottish Governments announced on 23rd March 2020 an effective closure of non-essential services. JBG followed the course of action taken by the Council to allow all non-essential staff to remain at home. These exceptional circumstances and the impact of the national lockdown necessitated the implementation of the Company's Corporate Crisis Management Team comprising all members of the Senior Management Team and chaired by the Managing Director.

JBG applied for financial support from the Government's Coronavirus Job Retention Scheme. Any staff member whose salary is already funded by Government (and consequently in JBG's case GCC) would not ordinarily be eligible for furlough. This was the case with all Business/Enterprise staff as well as all Corporate services such as Finance and Compliance staff who are wholly funded through the GCC Service Contract. In addition most Employability staff are funded through the Service Contract, either by 100% core funding or as match.

However the Company's Commercial Services are dependent on commercial income which in turn is allocated to those departments' staff salaries. At present no element of the GCC Service Contract is spent on Childcare delivery or on commercial property. At the height of the pandemic up to 111 JBG employees working in non GCC service fee funded commercial operations were placed on furlough.

Further details on how each of JBG's services have been impacted by the pandemic, and the Company's response, can be found in other sections throughout this report. However at the time of writing there are still no plans for all staff to return to their former places of work on a full time basis. The anticipated relaxation of social distancing measures in August 2021 will result in a phased return; however fewer numbers of staff than

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Covid-19 pandemic and JBG impact and response (continued)

before are expected to work from JBG's head office at Ladywell Business Centre. In addition the Company has demonstrated that a number of head office-based staff would now no longer need to travel to the office and this will be considered as part of the ongoing review of JBG services and structure. Although this will make a substantial contribution to JBG's efforts in reducing its carbon footprint, a reduced need for office space will also have an impact on our Commercial Property occupancy levels. To date JBG has ensured that staff will only go into the office for specific tasks that cannot be completed effectively (or at all) when working from home.

JBG's employability staff, previously based in Glasgow Life premises, will continue to work from home for the foreseeable future and the service will evolve in response to Glasgow Life's recovery. However it has now been established that the remote employability and skills service that JBG and other third sector organisations have provided since March 2020 is largely effective and has been well received by customers. JBG intends to develop a hybrid model of face to face and digital contact.

Government guidance has not allowed for our Commercial Property tenants to return to trading in our shared premises, and the Company continues to provide ongoing advice and support. The latest lockdown legislation announced on 4th January 2021 required JBG to once again limit childcare provision to children of key workers. At the time of writing all JBG's childcare premises remain open, and the Company continues to monitor demand on a daily basis to help us ensure our staff's health and safety.

Strategic Report

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. Our services are directed towards satisfying the needs of our customers and stakeholders, and for demonstrating principled best value for money. To demonstrate this the Company has been carrying out a wide ranging report and 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. In November 2019 the JBG Board agreed a number of positions and actions:

- Employability is the core objective of JBG and should remain the key focus of service delivery.
- There is a clear demand for Business Start Up and Social Enterprise Support services in Glasgow, but it is more appropriate for these to be the sole responsibility of one party.
- Further investigation is required to review and assess JBG's role in owning and providing commercial services.
- Separate business case reviews should be carried out for Commercial Property, Childcare and Business/Enterprise, and the results of these reviews and potential options papers should be presented to the Board.

This review, led by the JBG Board, is an entirely separate exercise from the ongoing Council-led review of its Arms-length organisations, although it is agreed that any discussions and findings could, where appropriate, be used to inform and constructively contribute to the GCC ALEO review.

Employability Services

In 2019 GCC 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 was to establish where and how other members of the GCC family deliver Employability services and to establish each department's own terminology of Employability.

GCC, through the Chief Executive's Economic Development department, 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

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Strategic Report (continued)

Review of Services (continued)

Employability Services (continued)

this review were presented to the Council in March 2021, who approved the approach to the commissioning of Jobs and Business Glasgow to continue to deliver employability activity on behalf of the Council.

Commercial Property

Meanwhile, on 27th November 2020 the JBG Board considered options for the future structure, purpose and management of the commercial property portfolio, and approved the recommendation that JBG seek to transfer all management responsibility for the portfolio and asset management programme to another party, and that the preferred party should be elsewhere within the Glasgow City Council estate. Discussions on this proposed transfer remain at an early stage.

In response GCC Legal Services advised that in any instance that ALEOs provide services to other ALEOs, the agreement comes through the Council in the first instance, so if approved JBG would contract with GCC to provide these services and then GCC would sub-contract with City Property LLP.

Discussions have taken place with City Property and both parties have agreed in principle to the transfer of management responsibility to City Property. JBG have given a commitment that the Asset Management Programme will be implemented as soon as possible to ensure a transfer can take place in this calendar year. The Company has instructed J&E Shepherds to progress with the recommendations identified within the Asset Management Programme.

Commercial Childcare Services

The Company is also currently reviewing the childcare business and commissioned independent legal advice on the potential options for a successful and viable future business model. This ensures a consistent approach to the review of each of the JBG service strands. There are two elements of this particular review; firstly to consider each childcare location and the overall business model to establish appropriateness, efficiency, and potential options for improvement and/or change, to ensure the business is strategically and financially sustainable, and also fit to respond to the various opportunities and challenges faced by the childcare sector in the months and years ahead. Consideration may also be required to explore potential alternative options to deliver a financially credible business model. The second element of the review addresses the actual principle of JBG ownership and/or management of a commercial childcare service, and its future shape and direction.

JBG Business Start Up/Social Enterprise

During the lockdown JBG Business Start Up and Social Enterprise advisors administered the Scottish Government's Newly Self-Employed Hardship Fund (NSEHF) on behalf of the Council, and this arrangement proved to be such a success - with Council colleagues able to fully concentrate on administering the Small Business Grant Fund - that JBG Enterprise staff subsequently assumed responsibility for administering claims from Bed & Breakfast operators who did not qualify for any other COVID-19 grant support. JBG staff have also been involved in supporting the Council's administration of the Hospitality Grant Fund. Such examples of close collaboration simply strengthened the case for further discussions to take place with GCC on potential options for the future shape and delivery of Business Start-Up and Social Enterprise Support services.

Discussions had already been ongoing with colleagues at GCC Economic Development Services to discuss how JBG's Business Start Up and Social Enterprise Support services can better complement the city's business support provision. Both parties concluded that there was a strong argument for greater alignment of this provision with the wider Council business support, removing duplication and streamlining services to ensure a more connected and joined up business support service in the city.

At the JBG Board meeting on 30th October 2020 the Board considered a review of the Company's Business/Enterprise services and a list of options for its future structure, purpose and management. The Board subsequently approved the recommendation that JBG ceases responsibility for delivery of this service in the event that they can be seamlessly realigned or transferred to GCC Economic Development Services.

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Strategic Report (continued)

Review of Services (continued)

JBG Business Start Up/Social Enterprise (continued)

On 14th January 2021 the City Administration Committee approved the recommendation that JBG business/enterprise services and all staff and assets associated with the service should transfer into the Council. Following detailed discussions involving JBG and Council colleagues, JBG's Business Start Up and Social Enterprise Support services transferred to the Council's Chief Executive's department on 1st April 2021.

Grant making activities

JBG's Business Start-Up and Enterprise services transferred to Glasgow City Council (further details contained in the Review of Services section). Prior to this the JBG Business and Enterprise team had the capacity to award a grant of up to £250 to new start businesses that had been trading up to 6 months and who met 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, such as businesses in the politics, religion, gambling or multi-level marketing/pyramid selling industries.

The grant could be used for purchasing either IT hardware or consumables for the business and could 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.

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.

JBG has a commitment over time to reduce its property portfolio in a managed way. The Company's property management agents – J&E Shepherds - carried out a full desktop valuation of all JBG properties to determine whether each is being held to further a charitable purpose or is being held as an investment asset to generate financial returns to support the charity's objectives. To ensure the Company has the most detailed and accurate information for each property in order to make confident, fully informed decisions on each, JBG commissioned its

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Strategic Report (continued)

Commercial Property (continued)

conveyancing solicitors, Anderson Strathearn, to carry out a due diligence exercise confirming the JBG interest whether as heritable proprietors or long leaseholders of a property, and establishing that we have the correct title document to establish those ownership/leasehold interests in the first instance.

Graham + Sibbald were commissioned as independent commercial property professionals to review the information collated by Anderson Strathearn, and then carry out an Asset Review (commenting on the value of each asset together with a market commentary on whether their advice would be to dispose or hold, and to carry out an asset management plan to improve the position for JBG), and a Valuation Appraisal, where they graded our current asset valuations against a 'traffic light' scale, using SWOT analysis and providing comment where appropriate. Representatives of both Anderson Strathearn and Graham + Sibbald attended the JBG Board in October to provide context and guidance.

As mentioned earlier in this report the JBG Board subsequently considered options for the future structure, purpose and management of the commercial property portfolio, and approved the recommendation that JBG seek to transfer all management responsibility for the portfolio and asset management programme to another party, and that the preferred party should be elsewhere within the Glasgow City Council estate. Discussions on this proposed transfer remain at an early stage.

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.

Prior to the Covid-19 outbreak JBG Rising Stars had committed to supporting Glasgow City Council's plan for meeting the objectives of the Scottish Government's Blueprint for 2020, which set out their aspiration for the delivery of 1140 hours of funded early learning and childcare (ELC) to all 3 and 4 year olds and eligible 2 year olds by August 2020. From the family's perspective, the same high quality, flexible and affordable service should be delivered regardless of provider, and the Council has committed to delivering this "provider neutral approach" across the city.

The Scottish Government consulted on the role of funded providers in delivering the increased entitlement of 1140 hours, with the finalised guidance outlining proposals to establish a 'Funding Follows the Child' approach, enabling parents greater choice about where they seek to access their child's statutory entitlement, whilst the National Standard sets out the principles and practice for providers seeking to enter or maintain partnership status with a local authority.

The new entitlement was not due to come into effect universally until August 2020, however the impact of the Covid pandemic resulted in the Scottish Government announcing last summer that the target was unachievable during these unprecedented times, and that the policy implementation would be replaced by an aspiration until the economy is in recovery. However, the Council has confirmed it remains committed to the roll-out of the increased hours and is keen to ensure that all providers - both Council and funded partners such as Rising Stars - continue to have the opportunity to offer additional funded hours to families accessing their service.

The impact of the Covid-19 pandemic on the Early Years and Childcare sector remains unclear. JBG has continued to adopt a cautious approach on the reopening of all childcare locations as so much remained unknown about the impact of the pandemic on jobs and the subsequent local demand for childcare, and the ongoing review of the service is expected to be concluded in this calendar year. Although the Company welcomes the extension of the Government's Job Retention Scheme, the impact on the labour market when the scheme ends remains unknown and therefore a considerable risk.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

Criteria used to assess success

In the 2020/21 financial year, the main criteria we used to assess success included:

- Management Development one-to-ones
- Funders/Partners feedback
- Formal independent project evaluations
- Client case studies
- Satisfactory Internal and External Audit Reports
- Investors in People review (accreditation achieved January 2020)
- Key Performance Indicators

Significant activities undertaken

In 2020/21, 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. Programme ended on 30 th June 2020.
Core Enterprise	Business support for start-up and micro-businesses, both social and business enterprises. Service transferred to GCC on 1 st April 2021.
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.
Glasgow Guarantee	In Work support for young people who have secured apprenticeships through GCC Glasgow Guarantee.
Commercial Property	Management of c.290,000 sq/ft of property portfolio comprising commercial, operational and mixed used 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.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
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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, and supporting The Council's efforts to revive the city's economy as Covid restrictions allow. It is more essential than ever that JBG, on a strategic, financial and operational level, is able to respond to challenges that have resulted from the pandemic.

Our service provision centres on supporting customers 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).

Jobs & Business Glasgow is the largest provider of Employability advice and guidance in the city, and this remains the cornerstone and key function of the organisation. On 10th March 2020 a GCC-commissioned review of all Council employability services and provision was presented to the Council's Neighbourhoods Committee, who approved the recommendation of the commissioning of Jobs and Business Glasgow to deliver employability activity on behalf of the Council.

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

Our delivery model has been designed to ensure that we are as close and accessible as possible to local communities. For many of our clients, initial engagement may be the most difficult step on a long journey. Prior to the outbreak of the Covid pandemic we had been providing advice and guidance services from as many as 45 locations throughout the city with a significant presence within many of Glasgow Life's facilities, particularly libraries, where we have marketed JBG's employability services as just part of a wider range of Council "family" support and information services that are on offer in our libraries, thus supporting a multi-agency "hub" approach. Our aim is not only to assist people into work, but also to improve their and their loved ones financial, physical and mental wellbeing.

Since the closure of Glasgow Life facilities across the city on 18th March 2020, JBG advisory staff have been working from home and support has been provided to clients via a telephone and MS Teams service. Contact levels have remained high, with employability and enterprise advisers having been in touch, or attempting contact, with over 4,600 clients. Of these, 2,500 employability clients have received additional support beyond light touch contact that has helped them progress towards employment, education or training, or self-employment.

The Company also made better use of social media to share services and vacancies. In the first six months of lockdown the number of Facebook members following JBG increased to 2,899 (from 240 in 2019) and the highest weekly number of "shares" was 105,952 (5,786).

A number of factors continue to adversely affect our operating environment including a substantial reduction in job vacancies, an increasingly competitive labour market and a scarcity of training services. However the Company continues to support Glasgow residents most in need and those who are often deemed furthest from the labour market: the average length of unemployment for clients supported since April 2020 is 3 years and 6 months, and on average those assisted into employment have been unemployed for 1 year and 9 months. There has been a marked increase in the percentage of clients aged 18-24 yrs who have been supported into employment (18% in April – December 2020 compared to 10% for the same period in 2019) and JBG continues to adapt its service to meet the needs of young people looking for employment.

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Strategic Report (continued)

Service Delivery

There are still no plans for staff to return to their former places of work. Those previously based in Glasgow Life premises will continue to work from home for the foreseeable future and the service will evolve in response to Glasgow Life's recovery. However it has now been established that the remote employability and skills services that JBG and other many other third sector organisations have provided since last March is largely effective and has been well received by customers. JBG are now developing a hybrid model of face-to-face and digital contact.

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 2020 – 31st March 2021

Key Performance Indicators – Progress 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	Anticipated to Date	Actual to Date	Variance from Anticipated to Date	% achieved actual / anticipated at assessment date
1	Number of Glasgow residents supported to become more competitive in the labour market	4,130	4,130	3,026	-1,104	-27%
2	Number of Glasgow residents supported into employment or self-employment	833	833	534	-299	-36%
3	Percentage of individuals entering and sustaining employment at:	13 weeks	64%	72%	8%	8%
		26 weeks	52%	63%	11%	11%
4	Percentage of Glasgow residents supported who reside in a bottom 15% employment deprived neighbourhood	65%		62%	-3%	-3%

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Strategic Report (continued)

Service Delivery

Client Profile - 1st April 2020 to 31st March 2021					
New and continuing client profile	Number			%	
	Registrations and Re-engagements	1,513		50%	
	Continuing	1,513		50%	
Age and gender profile	Age range	Male	Female	Other	
	13-17	75	53	0	
	18-24	364	228	0	
	25-29	242	150	0	
	30-39	411	297	1	
	40-45	199	117	0	
	46-54	294	164	0	
	55-64	287	131	0	
	65+	8	5	0	
	All ages	1880	1145	1	
Scottish Index of Multiple Deprivation residents engaged	Target 2020-21	Anticipated to Date	Actual to Date	Variance from Anticipated to Date	% achieved actual / anticipated at assessment date
	2,685	2685	1,890	-795	-30%
Area and EDA Profile	Area		Total number of clients supported	Bottom 15% EDA.	
	North East		1,191	71%	
	North West		828	55%	
	South		1,007	59%	
	Grand Total		3,026	62%	

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
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Strategic Report (continued)

Funders/partners feedback

Over the course of the year we have been subject to audits from Glasgow City Council and Care Inspectorate.

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 ongoing satisfactory reports from our Internal Auditors continues to build confidence in our systems of Internal Control. A review of Systems and Controls by Internal Audit has shown significant progress and we are committed to continue this progress.

Internal Audit work is undertaken in accordance with the Public Sector Internal Audit Standards which have been adopted by the Relevant Internal Audit Standard Setters (RIASS). The RIASS includes, among others, HM Treasury, the Scottish Government and the Chartered Institute of Public Finance and Accountancy (CIPFA).

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 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. The Covid pandemic has delayed the reaccreditation process, however this has now commenced.

Attendance

JBG employee absence rate for 2020/21 was 5.13%, an improvement on the previous year (5.65%). 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 2020/21 and 2021/22. However as a result of the economic and societal impacts of the Covid pandemic, in addition to the Glasgow City Council review of its ALEOs to evaluate the current ALEO 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.

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FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

Operating and financial overview

The charitable group's net surplus for the year to March 2021 was £1,168,631. This compares to a net deficit of 1,690,372 for the year to March 2020. This is an increase in surplus of £2,859,003.

The charitable group's total income for the year to March 2021 was £9,441,211. This compares to £11,339,141 for the year to March 2020. This is a reduction of £1,897,930.

The charitable group's total expenditure for the year to March 2021 was £8,688,580. This compares to £13,202,174 for the year to March 2020. This is a reduction of £4,513,594.

In cash flow terms, the bank account showed an in-funds position of £6,063,140 at the beginning of the year and an in-funds position of £8,934,180 at the end of the year. The group therefore generated a positive cashflow during the year of £2,871,040.

The charitable group shows an unrestricted reserve of £14,515,299 (2020: £13,121,354).

Impact of the pension deficit / surplus

As at 31 March 2021, 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 deficit as at 31 March 2021, of the Strathclyde Pension Fund is £190,000 (2020: £12,000 surplus). 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.

Reserves policy

At 31 March 2021, the total funds the group held were £14.3m (2020: £13.2m). Of these, £0k (2020: £35k) were restricted and were not available for the general purposes of the charity. £1.6m (2020: £1.8m) of the total funds were designated, including £1.1m (2020: £1.2m) representing the net book value of the group's tangible fixed assets.

Of the total funds, £10.0m (2020: £9.5m) can only be realised by disposing of tangible fixed assets.

This leaves the group as at 31 March 2021 holding £3.8m (2020: £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 2021/22, three months' expenditure (salaries and project costs) equates to £2.4m. The figure above shows general reserves of £3.8m 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.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report (continued)

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 £166k within the group. Creditor days equate to 33 days. This is slightly higher than our standard policy of 30 days and is entirely due to the logistical impacts associated with the pandemic.

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.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

Risk register

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

Description of Risk	Impact	Probability	
Ref: 986 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	1. Furloughing of most Childcare staff, reducing pay bill for those employees. 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. 6. Credit control function within JBG.
Ref 987 RISK: 2021/22 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	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 outcome. 3. Liaison with key stakeholders
Ref 509 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	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
Ref 901 RISK: In the event of a major fault with our line of business finance software (Sage 200) which cannot be resolved by our third-party support provider (Eureka), the software vendor (Sage) will be unable to assist. CAUSE: The version of SAGE used by JBG will no longer be supported by SAGE from end of October 2019. EFFECT: Software of this nature that is unsupported by its vendor and which experiences a major fault will create an outage that could: delay supplier payments; delay production of management accounts; remove capability to process incoming receipts; generally hamper all functions of the finance team.	5	3	1. JBG have scoped out a SAGE upgrade to current supported version with Eureka (JBG's third party provider) and are liaising with CGI re implementation of same in November 2019. 2. Noting the delay to previously agreed implementation plan (owing to Covid). Head of Finance has provided CGI with three new 2021 implementation windows – initially recommending January 2021 to reduce the duration of this risk. Work is now likely to proceed in August 2021.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

Risk register (continued)

Description of Risk	Impact	Probability	
Ref 988 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	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.

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. 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 over the future of European Funding or its replacement post-Brexit.
- 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 2021/22 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.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

Summary of future plans (continued)

KPI Performance Summary – 1st April, 2021 – 31st March 2022.

The following tables summarise our proposed targets and outputs across all departments for the period 1st April, 2021 – 31st March 2022.

Employability and Skills

Key Performance Indicators – Targets 1st April 2021 - 31st March 2022			
Theme: Contributing to a thriving economy by increasing the employment rate and number of sustainable small businesses in Glasgow			
Key Performance Indicator			Target 2021-22
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	71%
		26 weeks	57%
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 customers
- Number of customers engaged, determined by age group (16-29 yrs; 30-49 yrs, 50+ yrs)
- Number of customers engaged, determined by geographical area
- Number of customers engaged, determined by gender

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

Summary of future plans (continued)

Commercial Property

Key Performance Indicators – Targets April 1st 2021 – March 31st 2022		
	KEY PERFORMANCE INDICATOR	Target 2021-22
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.

Childcare

Key Performance Indicators – Targets April 1st 2021 – March 31st 2022		
	KEY PERFORMANCE INDICATOR	Target 2021-22
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

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

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

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 impact of the Covid pandemic has exacerbated the already existing challenges of poor health, poverty and inequalities that are intrinsically linked to social exclusion and unemployment.

Scale of The Challenge (April 2021, NOMIS)

- Glasgow's Claimant Count has increased by 81% between February 2020 (20,055) and April 2021 (36,190)
- The number of individuals for Glasgow on the Claimant Count has increased to 36,190 (April 2021). This is an increase of 4,600 compared to April 2020 but lower than the peak Claimant Count of 38,205 in August 2020.
- Young Persons (16-29) continue to experience the largest increase in claimants since February 2020 (+86%), in comparison to claimants aged 30-49 (+80%) and 50+ (+74%)
- Glasgow's Claimant Count percentage currently sits at 8.1%, compared to 6% for Scotland and 6.4% for Great Britain.

However, the Bank of England changed its forecast of UK growth this year from 5% to 7.25%, and cut its projection of peak unemployment sharply, noting that vaccines were now helping the economy to "recover rapidly". UK gross domestic product plunged by 9.8% last year amid the coronavirus crisis, the most precipitous drop for more than 300 years, and the projected rebound this year, which represents a sharp increase from growth of 5% in 2021 forecast by the bank in February 2021, would be the fastest since 1941.

In addition the Trustees note that The latest monthly GDP data suggest the Scottish economy is growing again after declining during the latest lockdown, and current (June 2021) headline labour market data for Scotland suggest employers may be adding staff as they rebuild capacity. Therefore it has never been more important that a strong and focussed Jobs and Business Glasgow is able to play a significant part in the city's recovery.

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 Covid recovery, in line with The Council's efforts to review and refresh existing employability activity across the city. It is also 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. The challenges for JBG will be substantial; although we welcome the further extension of the Government's Job Retention Scheme until 30th September 2021, the impact on the labour market when the scheme ends remains unknown but we have to prepare for anticipate a considerable spike in unemployment. It is JBG's role, more than ever, to help those most in need as much as possible. As the city gets back on its feet, JBG will have played a key role in holding out our hands to help pull it back up.

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

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report (continued)

Employee Involvement (continued)

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, 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.

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
Malcolm Robert Cunning (resigned 14th April 2021)
Angus Campbell Millar (Chair)
Francis Paul Scally (resigned 14th April 2021)
Gerry Milne
Nicola Harmon
Gary Hay
Rhiannon Spear
Laura Doherty
Ruairi Kelly (appointed 14th April 2021)
Jill Brown (appointed 14th April 2021)

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Attendance at board meetings

The following table shows the attendance of Board Members at Board meetings during the year. There were 7 board meetings in the period April 2020 to June 2021.

Date	Cllr Angus Millar	Cllr Laura Doherty	Cllr Rhiannon Spear	Nicola Harmon	Peter Marsh	Cllr Malcolm Cunning	Cllr Franny Scally	Gerry Milne	Cllr Jill Brown	Cllr Ruairi Kelly
23 June 20	Y	Y	Y	Y	Y	N	N	Y	N/A	N/A
25 August 20	Y	Y	N	N	Y	Y	N	N	N/A	N/A
30 October 20	Y	Y	Y	Y	N	N	N	Y	N/A	N/A
27 November 20	Y	Y	Y	N	Y	Y	N	Y	N/A	N/A
4 February 21	Y	N	N	Y	Y	Y	N	Y	N/A	N/A
26 March 21	Y	Y	N	Y	Y	Y	N	Y	N/A	N/A
25 June 21	Y	Y	Y	Y	Y	N/A	N/A	N	Y	Y
Total Attended	7	6	4	5	6	4	0	5	1	1
Total Absent	0	1	3	2	1	2	6	2	0	0
Attendance %	100%	86%	57%	71%	86%	67%	0%	71%	100%	100%

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.

Membership

There were two resignations for elected Directors – Cllr Malcolm Cunning and Cllr Franny Scally resigned on 14th April 2021. There were two appointments on 14th April 2021 – Cllr Jill Brown and Cllr Ruairi Kelly.

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.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

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; and
- the property aspects of the company and subsidiaries.

The Committee 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 Laura Doherty
- Councillor Malcolm Cuning (*resigned 14th April 2021*)
- Councillor Jill Brown (*appointed 25th June 2021*)

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*)
- Elaine Galletly, GCC
- Gary Hay
- Councillor Malcolm Cuning (*resigned 14th April 2021*)

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

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
- Managing 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.

Trustee induction and training

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

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

Arrangement for setting the pay and remuneration of management

The arrangements for setting the pay and remuneration of the charity's key management personnel is carried out by the Board. Key management personnel comprise 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.

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Related parties (continued)

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Disclosure of information to the auditor

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

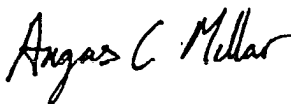
- a) so far as the trustees are aware, there is no relevant information of which the group's auditor is unaware;
and
- b) the trustees have taken all steps that they ought to have taken as a trustee in order to make themselves aware of any relevant information and to establish that the group's auditor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

Auditor

The auditor, Azets Audit Services, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 27/08/2021

and signed on its behalf by:



Angus Millar
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2021

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 2021, 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 2021 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 17 "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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the groups's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2021

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2021

Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 23, the Trustees (who are the directors for the purposes of company law and trustees for the purposes of charity law) 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the group and parent charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), taxation legislation and data protection; anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF JOBS AND BUSINESS GLASGOW FOR THE YEAR ENDED 31 MARCH 2021

Extent to which the audit was considered capable of detecting irregularities including fraud (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the group and parent charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the 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
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 17th September 2021

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021
(including an Income and Expenditure Account)

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Pension reserve 2021 £	Total funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Pension reserve 2020 £	Total funds 2020 £
Income and endowments from									
Donations and legacies	6	4,330,900	517,425	-	4,848,325	4,239,332	748,741	-	4,988,073
Charitable activities	7	1,310,826	453,775	-	1,764,601	2,607,594	1,393,023	-	4,000,617
Investments	8	2,113,290	-	-	2,113,290	2,242,131	-	-	2,242,131
Other	9	714,995	-	-	714,995	108,320	-	-	108,320
Total income		8,470,011	971,200	-	9,441,211	9,197,377	2,141,764	-	11,339,141
Expenditure on									
Raising funds	10	(1,599,273)	-	-	(1,599,273)	(4,876,145)	-	-	(4,876,145)
Charitable activities	11	(6,087,107)	(971,200)	(31,000)	(7,089,307)	(6,148,155)	(2,125,874)	(52,000)	(8,326,029)
Total expenditure		(7,686,380)	(971,200)	(31,000)	(8,688,580)	(11,024,300)	(2,125,874)	(52,000)	(13,202,174)
Net gains/(losses) on investments	17	575,000	-	-	575,000	(156,339)	-	-	(156,339)
Net income/(expenditure) for the year		1,358,631	-	(31,000)	1,327,631	(1,983,262)	15,890	(52,000)	(2,019,372)
Transfers between funds	25	35,314	(35,314)	-	-	29,347	(29,347)	-	-
		1,393,945	(35,314)	(31,000)	1,327,631	(1,953,915)	(13,457)	(52,000)	(2,019,372)
Other recognised (losses)/gains									
Actuarial (loss)/gain on defined benefit pension schemes	24	-	-	(159,000)	(159,000)	-	-	329,000	329,000
Net movement in funds		1,393,945	(35,314)	(190,000)	1,168,631	(1,953,915)	(13,457)	277,000	(1,690,372)
Total funds brought forward	25	13,121,354	35,314	-	13,156,668	15,075,269	48,771	(277,000)	14,847,040
Total funds carried forward	25	14,515,299	-	(190,000)	14,325,299	13,121,354	35,314	-	13,156,668

All income and expenditure derive from continuing activities.
The notes on pages 35 to 66 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 2021
(including an Income and Expenditure Account)

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Pension reserve 2021 £	Total funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Pension reserve 2020 £	Total funds 2020 £
Income and endowments from									
Donations and legacies	6	4,330,900	517,425	-	4,848,325	4,239,332	748,741	-	4,988,073
Charitable activities	7	1,310,826	453,775	-	1,764,601	2,607,594	1,393,023	-	4,000,617
Investments	8	1,286,078	-	-	1,286,078	1,378,848	-	-	1,378,848
Other	9	642,409	-	-	642,409	108,320	-	-	108,320
Total income		7,570,213	971,200	-	8,541,413	8,334,094	2,141,764	-	10,475,858
Expenditure on									
Raising funds	10	(528,017)	-	-	(528,017)	(2,049,485)	-	-	(2,049,485)
Charitable activities	11	(6,445,909)	(971,200)	(31,000)	(7,448,109)	(6,434,778)	(2,125,874)	(52,000)	(8,612,652)
Total expenditure		(6,973,926)	(971,200)	(31,000)	(7,976,126)	(8,484,263)	(2,125,874)	(52,000)	(10,662,137)
Net gains/(losses) on investments	17	475,000	-	-	475,000	(81,339)	-	-	(81,339)
Net income/(expenditure) for the year		1,071,287	-	(31,000)	1,040,287	(231,508)	15,890	(52,000)	(267,618)
Transfers between funds	25	35,314	(35,314)	-	-	29,347	(29,347)	-	-
		1,106,601	(35,314)	(31,000)	1,040,287	(202,161)	(13,457)	(52,000)	(267,618)
Other recognised (losses)/gains									
Actuarial (loss)/gain on defined benefit pension schemes	24	-	-	(159,000)	(159,000)	-	-	329,000	329,000
Net movement in funds		1,106,601	(35,314)	(190,000)	881,287	(202,161)	(13,457)	277,000	61,382
Total funds brought forward	25	11,129,917	35,314	-	11,165,231	11,332,078	48,771	(277,000)	11,103,849
Total funds carried forward	25	12,236,518	-	(190,000)	12,046,518	11,129,917	35,314	-	11,165,231

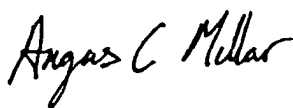
All income and expenditure derive from continuing activities.
The notes on pages 35 to 66 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

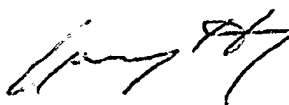
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	1,121,254	1,209,785
Investment properties	17	8,890,000	8,315,000
Investments	18	24,899	24,899
		<u>10,036,153</u>	<u>9,549,684</u>
Current assets			
Debtors	19	1,564,378	1,454,200
Investments – cash deposits		-	2,000,000
Cash at bank and in hand		8,934,180	6,063,140
		<u>10,498,558</u>	<u>9,517,340</u>
Creditors: amounts falling due within one year	20	<u>(3,200,705)</u>	<u>(2,908,345)</u>
Net current assets		7,297,853	6,608,995
Provisions	21	(2,818,707)	(3,002,011)
Net assets excluding pension liability		<u>14,515,299</u>	<u>13,156,668</u>
Defined benefit pension scheme liability	22	(190,000)	-
Net assets		<u>14,325,299</u>	<u>13,156,668</u>
Funds			
Restricted funds	25	-	35,314
Unrestricted funds	25	14,515,299	13,121,354
Pension reserve	24,25	(190,000)	-
		<u>14,325,299</u>	<u>13,156,668</u>

The financial statements have been authorised for issue by the Board of Trustees on 27/08/2021 and are signed on their behalf by:



Angus Millar
Trustee



Gary Hay
Trustee

Company number: SC108565

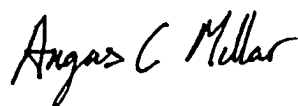
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JOBS AND BUSINESS GLASGOW
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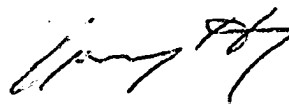
CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	608,547	609,711
Investment properties	17	4,800,000	4,325,000
Investments	18	24,999	24,999
		<u>5,433,546</u>	<u>4,959,710</u>
Current assets			
Debtors: amounts falling due after more than one year	19	317,009	384,940
Debtors: amounts falling due within one year	19	1,611,728	1,534,838
Investments- cash deposits		-	2,000,000
Cash at bank and in hand		8,549,135	5,857,188
		<u>10,477,872</u>	<u>9,776,966</u>
Creditors: amounts falling due within one year	20	<u>(2,650,377)</u>	<u>(2,307,010)</u>
Net current assets		7,827,495	7,469,956
Provisions	21	(1,024,523)	(1,264,435)
Net assets excluding pension liability		<u>12,236,518</u>	<u>11,165,231</u>
Defined benefit pension scheme liability	24	(190,000)	-
Net assets		<u><u>12,046,518</u></u>	<u><u>11,165,231</u></u>
Funds			
Restricted funds	25	-	35,314
Unrestricted funds	25	12,236,518	11,129,917
Pension reserve	24,25	(190,000)	-
		<u><u>12,046,518</u></u>	<u><u>11,165,231</u></u>

The financial statements have been authorised for issue by the Board of Trustees on 27/08/2021 and are signed on their behalf by:



Angus Millar
Trustee



Gary Hay
Trustee

Company number: SC108565

The notes on pages 35 to 66 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	27	(1,212,729)	(766,232)
Cash flows from investing activities			
Interest and rents from investments		2,113,290	2,242,131
Interest payable		(14,521)	(16,896)
Purchase of property, plant and equipment		(15,000)	-
Proceeds from sale of investment properties		-	1,190,000
Proceeds from sale of property, plant and equipment		-	225,000
Cash investments		-	(1,500,000)
Cash disinvested		2,000,000	-
Net cash provided by investing activities		4,083,769	2,140,235
Increase in cash and cash equivalents in the year		2,871,040	1,374,003
Cash and cash equivalents at 1 April		6,063,140	4,689,137
Cash and cash equivalents at 31 March		8,934,180	6,063,140

CONSOLIDATED ANALYSIS OF NET DEBT
AS AT 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash and cash equivalents	6,063,140	2,871,040	8,934,180
Investments – cash deposits	2,000,000	(2,000,000)	-
	8,063,140	871,040	8,934,180

The notes on pages 35 to 66 form part of these financial statements

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

CHARITY STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	27	(579,131)	118,513
Cash flows from investing activities			
Interest and rents from investments		1,286,078	1,378,848
Proceeds from sale of property, plant and equipment		-	225,000
Proceeds from sale of investment properties		-	1,190,000
Purchase of property, plant and equipment		(15,000)	-
Cash invested		-	(1,500,000)
Cash disinvested		2,000,000	-
Net cash provided by investing activities		3,272,078	1,293,848
Increase in cash and cash equivalents in the year		2,691,947	1,412,361
Cash and cash equivalents at 1 April		5,857,188	4,444,827
Cash and cash equivalents at 31 March		8,549,135	5,857,188

CHARITY ANALYSIS OF NET DEBT
AS AT 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash and cash equivalents	5,857,188	2,691,947	8,549,135
Investments – cash deposits	2,000,000	(2,000,000)	-
	7,857,188	691,947	8,549,135

The notes on pages 35 to 66 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 continued 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 17, 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 2021**

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 22).

e) Expenditure recognition

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

All expenditure is accounted for on an accruals basis. All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this 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 2021**

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 12.

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 13. The group owed £32,766 (2020: £31,628) 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 2021

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	10% - 20% straight line
Computer equipment	33% straight line

No depreciation is provided in respect of land.

Mixed use property is separated between investment property and tangible fixed assets if the resulting portions could be sold separately (or leased out separately under a finance lease). However, if the fair value of the investment property component cannot be measured reliably, the entire property is accounted for as property within tangible fixed assets.

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 2021**

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) Fund 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 24.

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 2021**

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 calculated by a qualified valuer and 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:

	2021 £	2020 £
Turnover	1,185,961	1,138,681
Administrative expenses	(1,000,127)	(1,072,188)
Other operating income	72,586	10,949
Dilapidation costs	(56,608)	(1,737,576)
Operating profit / (loss)	201,812	(1,660,134)
Interest receivable and similar income	53	276
Interest payable and similar expenses	(14,521)	(16,896)
Movement in fair value	100,000	(75,000)
Taxation	-	-
Profit / (loss) for the financial year	287,344	(1,751,754)

The assets and liabilities of the subsidiary were:

Fixed assets	512,707	600,074
Investment properties	4,090,000	3,990,000
Current assets	838,188	540,775
Current liabilities	(1,050,821)	(1,016,796)
Long term creditors	(317,009)	(384,940)
Provisions	(1,794,184)	(1,737,576)
Total net assets	2,278,881	1,991,537
Aggregate capital and reserves	2,278,881	1,991,537

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Related party transactions and trustees' expenses and remuneration

During the year, no Trustees were reimbursed expenses (2020: one Trustee was reimbursed £188) and no Trustees waived expenses (2020: 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	7,272	1,173	903	287
City Property	8	162	30	65
Glasgow Life	-	22	-	64
City Building	-	-	-	97

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	-	-	8	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

Name	Organisation	Position held
Malcolm Cuning (resigned 4 April 2021)	Glasgow City Council	Councillor
Francis Scally (resigned 4 April 2021)	National Association of Councillors	Member
	Glasgow City Council	Councillor
	Community Safety Glasgow	Member
	Glasgow Housing Association – North West Area Committee	Member
	Maryhill Housing Association	Member

6. Income from donations and legacies

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Glasgow City Council	4,848,205	4,987,953	4,848,205	4,987,953
Other grants	120	120	120	120
	4,848,325	4,988,073	4,848,325	4,988,073

Group and Charity

Included within Glasgow City Council income is £517,425 (2020: £748,741) of restricted income.

7. Income from charitable activities

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Employability	525,315	1,647,466	525,315	1,647,466
Childcare	1,239,286	2,309,822	1,239,286	2,309,822
Enterprise and social economy	-	43,329	-	43,329
	1,764,601	4,000,617	1,764,601	4,000,617

Group and Charity

Included within employability income is £453,775 (2020: £1,393,023) of restricted income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Investment income

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank interest received	25,066	46,549	25,013	46,273
Property by Jobs & Business Glasgow	827,159	863,007	-	-
Rental income	1,261,065	1,332,575	1,261,065	1,332,575
	2,113,290	2,242,131	1,286,078	1,378,848

At 31 March 2021, the group and charity had minimum lease receipts due under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than one year	1,275,948	1,297,521	670,443	723,013
Later than one year and not later than five years	411,889	240,032	359,028	143,488
Later than five years	145,605	233,932	-	134,912
	1,833,442	1,771,485	1,029,471	1,001,413

9. Other income

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Gain on sale of fixed assets	-	108,320	-	108,320
Job retention scheme grant	642,409	-	642,409	-
Other income	72,586	-	-	-
	714,995	108,320	642,409	108,320

10. Raising funds – expenditure on investment activities

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Property rental costs	528,017	2,049,485	528,017	2,049,485
Property by Jobs & Business Glasgow	1,071,256	2,826,660	-	-
	1,599,273	4,876,145	528,017	2,049,485

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Expenditure on charitable activities

Group - 2021	Employability £	Childcare £	Enterprise & social economy £	Total £
Staff costs	2,127,755	1,692,530	346,608	4,166,893
Property	5,484	211,441	17,820	234,745
Transport	-	27,855	-	27,855
Supplies & services	359,900	59,491	37,576	456,967
Governance costs (note 12)	12,348	9,742	1,803	23,893
Support costs (note 12)	1,126,083	888,402	164,469	2,178,954
	3,631,570	2,889,461	568,276	7,089,307

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 12)	8,813	7,774	1,655	18,242
Support costs (note 12)	987,489	870,975	185,469	2,043,933
	4,506,828	3,240,093	579,108	8,326,029

Charity - 2021	Employability £	Childcare £	Enterprise & social economy £	Total £
Staff costs	2,127,755	1,692,530	346,608	4,166,893
Property	37,088	270,106	19,064	326,258
Transport	-	27,855	-	27,855
Supplies & services	361,093	59,491	37,960	458,544
Governance costs (note 12)	12,348	9,742	1,803	23,893
Support costs (note 12)	1,263,403	996,738	184,525	2,444,666
	3,801,687	3,056,462	589,960	7,448,109

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Expenditure on charitable activities (continued)

Charity - 2020	<i>Employability</i>	<i>Childcare</i>	<i>Enterprise & social economy</i>	<i>Total</i>
	£	£	£	£
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 12)	8,813	7,774	1,655	18,242
Support costs (note 12)	1,047,143	923,590	196,673	2,167,406
	<u>4,638,368</u>	<u>3,373,136</u>	<u>601,148</u>	<u>8,612,652</u>

12. Allocation of governance and support costs

Group – 2021			Enterprise & social economy	Total
Support costs	Employability	Childcare	£	£
	£	£		
Salaries	535,663	422,600	78,236	1,036,499
Stationery	598	472	87	1,157
Property related	589,822	465,330	86,146	1,141,298
	<u>1,126,083</u>	<u>888,402</u>	<u>164,469</u>	<u>2,178,954</u>

Governance costs	Total
	£
Audit fee	<u>23,893</u>

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

	Total
	£
Employability	12,348
Childcare	9,742
Enterprise & social economy	1,803
	<u>23,893</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Allocation of governance and support costs (continued)

Group – 2020				
Support costs	<i>Employability</i>	<i>Childcare</i>	<i>Enterprise & social economy</i>	Total
	£	£	£	£
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 costs	Total
	£

Audit fee	<u>18,242</u>
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Governance costs are apportioned across the charity's activities as follows:

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

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

Charity - 2021				
Support costs	Employability	Childcare	Enterprise & social economy	Total
	£	£	£	£
Salaries	535,663	422,600	78,236	1,036,499
Stationery	598	472	87	1,157
Property related	727,142	573,666	106,202	1,407,010
	<u>1,263,403</u>	<u>996,738</u>	<u>184,525</u>	<u>2,444,666</u>

Governance costs	Total
	£

Audit fee	<u>23,893</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Allocation of governance and support costs (continued)

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

	Total £
Employability	12,348
Childcare	9,742
Enterprise & social economy	1,803
	<u>23,893</u>

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

Charity – 2020

Support costs	<i>Employability</i> £	<i>Childcare</i> £	<i>Enterprise & social economy</i> £	<i>Total</i> £
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 costs	<i>Total</i> £
Audit fee	<u>18,242</u>

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

	Total £
Employability	8,813
Childcare	7,774
Enterprise & social economy	1,655
	<u>18,842</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Staff costs and remuneration of key management personnel

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Salaries and wages	4,837,920	4,881,344	4,738,188	4,725,028
Social security costs	368,587	364,281	360,243	353,832
Pension costs in relation to defined benefit pension schemes	31,000	45,000	31,000	45,000
Employer pension contributions	206,362	197,741	200,518	192,912
	5,443,869	5,488,366	5,329,949	5,316,772

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

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
£60,001 - £70,000	2	1	2	1
£70,001 - £80,000	1	1	1	1

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
The pension contributions for the above employees were	27,790	22,005	27,790	22,005

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
The average weekly number of persons, by headcount, employed during the year was:	221	236	204	227

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 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Salaries	279,660	267,291	279,660	267,291
Social security costs	24,421	23,040	24,421	23,040
Employer pension contributions	27,790	25,506	27,790	25,506
	331,871	315,837	331,871	315,837

The acting Head of Finance (2020: 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. 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 (2020: £nil).

14. Net income/(expenditure) for the year

This is stated after charging:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Depreciation	97,524	247,472	16,164	158,448
Impairment charge	27,631	-	-	-
Impairment reversal	(21,624)	(24,624)	-	-
Fees payable to the auditor				
- Parent audit fee	13,635	18,242	13,635	18,242
- Parent accounts preparation fee	4,614	4,542	4,614	4,542
- Subsidiary audit fee	11,708	11,524	-	-
- Subsidiary accounts preparation fee	1,326	1,305	-	-
- Subsidiary corporation tax fee	781	769	-	-
Operating lease rentals				
- Property	122,376	77,016	106,751	61,395

15. Government grants

Group and charity

Income from government grants comprises:

		2021 £	2020 £
GCC	Services contract a)	4,749,300	4,891,400
GCC	Assisted garden maintenance b)	-	671,060
GCC	Glasgow guarantee c)	70,000	70,000
GCC	Nursery partnership funds d)	666,785	620,516
GCC	Secondments e)	98,905	96,553
GCC	Make safe squad f)	41,608	30,748
GCC	Working matters g)	-	27,597
GCC	Working matters more h)	71,329	180,114
GCC	Additional supported needs i)	-	96,390
GCC	Glasgow guarantee – childcare j)	1,624	-
GCC	Graduate programme k)	-	(11,730)
Skills Development Scotland l)		1,540	74,303
European Social Fund m)		340,838	478,897
		6,041,929	7,225,848

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. 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 – 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.

(c) GCC – Glasgow guarantee

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

(d) 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.

(e) GCC – Secondments

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

(f) 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.

(g) 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.

(h) 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.

(i) GCC – Additional supported needs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Government grants (continued)

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

16. Tangible fixed assets

Group	Freehold land & buildings £	Leasehold properties £	Plant & machinery £	Computer equipment £	Total £
Cost					
At 1 April 2020	930,235	2,050,166	428,841	1,208,409	4,617,651
Additions	15,000	-	-	-	15,000
At 31 March 2021	945,235	2,050,166	428,841	1,208,409	4,632,651
Depreciation and impairment					
At 1 April 2020	711,008	1,325,455	162,994	1,208,409	3,407,866
Charge for the year	5,149	40,788	51,587	-	97,524
Impairment	27,631	-	-	-	27,631
Impairment reversal	-	(21,624)	-	-	(21,624)
At 31 March 2021	743,788	1,344,619	214,581	1,208,409	3,511,397
Net book value					
At 31 March 2021	201,447	705,547	214,260	-	1,121,254
At 31 March 2020	219,227	724,711	265,847	-	1,209,785

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Tangible fixed assets (continued)

Charity	Freehold land & buildings £	Leasehold properties £	Computer equipment £	Total £
Cost				
At 1 April 2020	672,955	818,979	1,208,409	2,700,343
Additions	15,000	-	-	15,000
At March 2021	687,955	818,979	1,208,409	2,715,343
Depreciation and impairment				
At 1 April 2020	632,955	249,268	1,208,409	2,090,632
Charge for the year	-	16,164	-	16,164
At 31 March 2021	632,955	265,432	1,208,409	2,106,796
Net book value				
At 31 March 2021	55,000	553,547	-	608,547
<i>At 31 March 2020</i>	<i>40,000</i>	<i>569,711</i>	<i>-</i>	<i>609,711</i>

17. Investment property

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
At 1 April 2020	8,315,000	8,905,000	4,325,000	4,840,000
Transfer from tangible fixed assets	-	756,339	-	756,339
Revaluation	575,000	(156,339)	475,000	(81,339)
Disposals	-	(1,190,000)	-	(1,190,000)
At 31 March 2021	8,890,000	8,315,000	4,800,000	4,325,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. 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 2021 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 COVID-19, declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with real estate markets continuing to experience lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries and in some cases, 'Lockdowns' have been applied to varying degrees and to reflect further waves of COVID-19. Although these new waves may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally albeit as at the date of valuation property market are mostly functioning again. We continue to be faced with an unprecedented set of circumstances caused by COVID-19. In the case of the subject property(ies), as at the date of valuation, transaction volumes and relevant evidence are at an insufficient level upon which to base our judgement. Accordingly our valuation is 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(s) than would normally be the case."

18. Fixed asset investments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Investments in subsidiaries	-	-	100	100
Investments in joint ventures	24,899	24,899	24,899	24,899
	24,899	24,899	24,999	24,999

Property by Jobs & Business Glasgow Ltd - £100 (2020: £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 (2020: £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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Debtors

Amounts falling due within one year	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	346,648	144,764	204,233	48,665
Other debtors & prepayments	119,226	248,441	279,512	245,754
Accrued income	865,494	715,521	770,069	680,420
Amounts due from group entities	233,010	345,474	357,914	559,999
	1,564,378	1,454,200	1,611,728	1,534,838

Group trade debtors is shown net of the bad debt provision of £277,907 (2020: £138,439). Charity trade debtors is shown net of the bad debt provision of £121,945 (2020: £57,131). 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 £317,009 (2020: £384,940) due in more than one year.

20. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	166,026	207,111	128,172	135,084
Sundry creditors	144,786	1,944	127,269	1,944
Other creditors and accruals	1,403,287	1,119,819	1,019,654	755,205
Deferred income (note 21)	986,603	952,955	730,417	622,519
Taxation and social security costs	371,158	463,006	303,321	427,812
Amounts due to group entities	128,845	163,510	341,544	364,446
	3,200,705	2,908,345	2,650,377	2,307,010

Securities

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

21. Provisions

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Dilapidations provision	2,818,707	3,002,011	1,024,523	1,264,435

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

22. Deferred income

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
At 1 April	952,955	549,475	622,519	263,045
Released in the year	(952,955)	(549,475)	(622,519)	(263,045)
Deferred in the year	986,603	952,955	730,417	622,519
At 31 March	986,603	952,955	730,417	622,519

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. 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 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deposits	185,245	198,379	83,403	101,351
Rents in advance	324,887	352,465	170,543	119,057
Grant income	476,471	402,111	476,471	402,111
	986,603	952,955	730,417	622,519

23. Deferred taxation

Group	2021 £	2020 £
At beginning of year	-	-
Charged to Statement of Financial Activities	-	-
At end of year	-	-

24. 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:

	2021 % p.a.	2020 % p.a.
Inflation/pension increase rate	2.85%	1.9%
Salary increase rate	3.55%	3.0%
Discount rate	2.00%	2.3%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	19.8 years	22.6 years
Future pensioners	21.2 years	24.7 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Pension commitments (continued)

The net pension liability was:

	2021 £'000	2020 £'000
Fair value of scheme assets	5,233	4,295
Present value of scheme liabilities	(5,423)	(4,283)
Unrecognised surplus	-	(12)
Net pension liability	(190)	-

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

Reconciliation of fair value of scheme assets	2021 £'000	2020 £'000
Opening fair value of scheme assets	4,295	4,534
Expected return on assets	98	108
Contributions by members	14	13
Contributions by employer	28	26
Actuarial gain/(loss)	913	(299)
Estimated benefits paid	(115)	(87)
	5,233	4,295

Reconciliation of present value of scheme liabilities	2021 £'000	2020 £'000
Opening present value of scheme liabilities	4,283	4,811
Current service cost	59	71
Interest cost	98	115
Contributions by members	14	13
Actuarial loss/(gain)	1,084	(640)
Estimated benefits paid	(115)	(87)
	5,423	4,283

The assets in the scheme were:

	Value at 31 March 2021 £000	% of scheme assets	Value at 31 March 2020 £000	% of scheme assets
Equities	3,559	68%	2,534	59%
Bonds	1,099	21%	1,117	26%
Property	523	10%	558	13%
Cash	52	1%	86	2%
Fair value of scheme assets	5,233		4,295	
Present value of liabilities	(5,423)		(4,283)	
Unrecognised surplus	-		(12)	
Deficit in scheme	(190)		-	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Pension commitments (continued)

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

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Scheme assets	5,233	4,295	4,534	4,247	4,269
Scheme liabilities	(5,423)	(4,283)	(4,811)	(4,353)	(5,346)
Unrecognised surplus	-	(12)	-	-	-
Deficit	(190)	-	(277)	(106)	(1,077)

	2021	2020
	£'000	£'000
Experience adjustments on scheme assets	913	(299)
Experience adjustments on scheme liabilities	(1,084)	640

Amount charged to staff costs (note 13):

	2021	2020
	£'000	£'000
Current service costs	59	71
Past service cost	-	-
Total operating charge	59	71
Less: contributions paid	(28)	(26)
Current service cost provision	31	45

Amount charged to support costs (note 12):

	2021	2020
	£'000	£'000
Expected return on scheme assets	98	108
Interest on scheme liabilities	(98)	(115)
Net cost	-	(7)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Pension commitments (continued)

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

	2021	2020
	£'000	£'000
Changes in value of scheme assets: actuarial gain/(loss)	913	(299)
Changes value of scheme liabilities: actuarial (loss)/gain	(1,084)	640
Unrecognised surplus	12	(12)
Actuarial (loss)/gain recognised in SOFA	(159)	329

Movement in deficit during the year

	2021	2020
	£'000	£'000
Deficit at the beginning of the year	-	(277)
Movement in year:		
Current service cost	(59)	(71)
Employer contributions	28	26
Net (cost) on pension scheme	-	(7)
Actuarial (loss)/gain	(159)	329
Deficit at the end of year	(190)	-

The estimated employer's contributions for the year to 31 March 2022 are £32,000.

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Funds reconciliation

Group	As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2020 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2021 £
Unrestricted funds											
Designated funds											
Assisted garden maintenance	150,000	150,000	(136,543)	-	-	163,457	-	-	-	-	163,457
Tangible fixed assets	2,305,652	-	(222,848)	(873,019)	-	1,209,785	-	(88,531)	-	-	1,121,254
Capital redemption reserve	300,000	-	-	-	-	300,000	-	-	-	-	300,000
Employability	100,000	-	-	-	-	100,000	-	-	(100,000)	-	-
Total designated funds	2,855,652	150,000	(359,391)	(873,019)	-	1,773,242	-	(88,531)	(100,000)	-	1,584,711
General funds	12,219,617	9,047,377	(10,664,909)	902,366	(156,339)	11,348,112	8,470,011	(7,597,849)	135,314	575,000	12,930,588
Total unrestricted funds	15,075,269	9,197,377	(11,024,300)	29,347	(156,339)	13,121,354	8,470,011	(7,686,380)	35,314	575,000	14,515,299

JOBS AND BUSINESS GLASGOW
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Funds reconciliation (continued)

Group (continued)	As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2020 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2021 £
Restricted funds											
The Big Lottery	35,314	-	-	-	-	35,314	-	-	(35,314)	-	-
Assisted garden maintenance	13,457	671,060	(684,517)	-	-	-	-	-	-	-	-
Make safe squad	-	30,748	(30,748)	-	-	-	41,608	(41,608)	-	-	-
Employability – additional support needs	-	1,750	-	(1,750)	-	-	-	-	-	-	-
Clyde Gateway	-	12,500	(12,500)	-	-	-	-	-	-	-	-
Working matters	-	27,597	-	(27,597)	-	-	-	-	-	-	-
Working matters more	-	180,113	(180,113)	-	-	-	73,488	(73,488)	-	-	-
ESF – Work Life Glasgow	-	1,217,996	(1,217,996)	-	-	-	856,104	(856,104)	-	-	-
Total restricted funds	48,771	2,141,764	(2,125,874)	(29,347)	-	35,314	971,200	(971,200)	(35,314)	-	-
Pension reserve	(277,000)	-	(52,000)	-	329,000	-	-	(31,000)	-	(159,000)	(190,000)
Total funds	14,847,040	11,339,141	(13,202,174)	-	172,661	13,156,668	9,441,211	(8,688,580)	-	416,000	14,325,299

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Funds reconciliation (continued)

Charity	As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2020 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2021 £
Unrestricted funds											
Designated funds											
Assisted garden maintenance	150,000	150,000	(136,543)	-	-	163,457	-	-	-	-	163,457
Tangible fixed assets	1,641,178	-	(158,448)	(873,019)	-	609,711	-	(1,164)	-	-	608,547
Employability	100,000	-	-	-	-	100,000	-	-	(100,000)	-	-
Total designated funds	1,891,178	150,000	(294,991)	(873,019)	-	873,168	-	(1,164)	(100,000)	-	772,004
General funds	9,440,900	8,184,094	(8,189,272)	902,366	(81,339)	10,256,749	7,570,213	(6,972,762)	135,314	475,000	11,464,514
Total unrestricted funds	11,332,078	8,334,094	(8,484,263)	29,347	(81,339)	11,129,917	7,570,213	(6,973,926)	35,314	475,000	12,236,518

JOBS AND BUSINESS GLASGOW
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Funds reconciliation (continued)

Charity (continued)	As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 1 April 2020 £	Income and endowments £	Expenditure £	Transfers £	Gains/ (losses) £	As at 31 March 2021 £
Restricted funds											
The Big Lottery	35,314	-	-	-	-	35,314	-	-	(35,314)	-	-
Assisted garden maintenance	13,457	671,060	(684,517)	-	-	-	-	-	-	-	-
Make safe squad	-	30,748	(30,748)	-	-	-	41,608	(41,608)	-	-	-
Employability – additional support needs	-	1,750	-	(1,750)	-	-	-	-	-	-	-
Clyde Gateway	-	12,500	(12,500)	-	-	-	-	-	-	-	-
Working matters	-	27,597	-	(27,597)	-	-	-	-	-	-	-
Working matters more	-	180,113	(180,113)	-	-	-	73,488	(73,488)	-	-	-
ESF – Work Life Glasgow	-	1,217,996	(1,217,996)	-	-	-	856,104	(856,104)	-	-	-
Total restricted funds	48,771	2,141,764	(2,125,874)	(29,347)	-	35,314	971,200	(971,200)	(35,314)	-	-
Pension reserve	(277,000)	-	(52,000)	-	329,000	-	-	(31,000)	-	(159,000)	(190,000)
Total funds	11,103,849	10,475,858	(10,662,137)	-	247,661	11,165,231	8,541,413	(7,976,126)	-	316,000	12,046,518

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. 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 2019/20 in order to deliver greater employment options to beneficiaries. The Trustees agreed to release this fund to the general fund in 2020/21.

- 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. 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.

26. Analysis of net assets between funds

Group - 2021	Unrestricted funds £	Restricted funds £	Pension reserve £	Total 2021 £
Tangible fixed assets	1,121,254	-	-	1,121,254
Investment properties	8,890,000	-	-	8,890,000
Fixed asset investments	24,899	-	-	24,899
Debtors	1,564,378	-	-	1,564,378
Cash and cash deposits	8,934,180	-	-	8,934,180
Current liabilities	(3,200,705)	-	-	(3,200,705)
Long term liabilities	(2,818,707)	-	-	(2,818,707)
Pension liability	-	-	(190,000)	(190,000)
	14,515,299	-	(190,000)	14,325,299

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

Charity - 2021

	Unrestricted funds £	Restricted funds £	Pension reserve £	Total 2021 £
Tangible fixed assets	608,547	-	-	608,547
Investment properties	4,800,000	-	-	4,800,000
Fixed asset investments	24,999	-	-	24,999
Debtors	1,812,180	-	-	1,812,180
Cash and cash deposits	8,549,135	-	-	8,549,135
Current liabilities	(2,533,820)	-	-	(2,533,820)
Long term liabilities	(1,024,523)	-	-	(1,024,523)
Pension liability	-	-	(190,000)	(190,000)
	12,236,518	-	(190,000)	12,046,518

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

26. Analysis of net assets between funds (continued)

Charity – 2020

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Pension reserve £</i>	<i>Total 2020 £</i>
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

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

Group	2021 £	2020 £
Net income/(expenditure) for the year	1,327,631	(2,019,372)
Adjustments for:		
Depreciation charges	97,524	247,472
Impairment	6,007	(24,624)
Gain on sale of property, plant and equipment	-	(108,320)
Net (gains)/losses on investments	(575,000)	156,339
Pension fund charge	31,000	52,000
Interest and rents from investments	(2,113,290)	(2,242,131)
Interest payable	14,521	16,896
Movement in debtors	(110,178)	(197,810)
Movement in creditors	292,360	351,307
Movement in provisions	(183,304)	3,002,011
Net cash used in operating activities	(1,212,729)	(766,232)

Charity	2021 £	2020 £
Net income/(expenditure) for the year	1,040,287	(267,618)
Adjustments for:		
Depreciation charges	16,164	158,448
Interest and rents from investments	(1,286,078)	(1,378,848)
Gain on sale of property, plant and equipment	-	(108,320)
Net (gains)/losses on investments	(475,000)	81,339
Pension fund charge	31,000	52,000
Movement in debtors	(8,959)	(309,184)
Movement in creditors	343,367	626,261
Movement in provisions	(239,912)	1,264,435
Net cash (used in)/provided by operating activities	(579,131)	118,513

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

28. Operating leases commitments

At 31 March 2021 the group and charity had for future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Not later than 1 year	55,405	<i>51,405</i>	39,780	<i>35,780</i>
Later than 1 year and not later than 5 years	153,700	<i>153,700</i>	91,200	<i>91,200</i>
Later than 5 years	2,819,821	<i>2,860,850</i>	2,369,300	<i>2,392,100</i>
	3,028,926	<i>3,065,955</i>	2,500,280	<i>2,519,080</i>

Equipment

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Not later than 1 year	1,412	<i>1,412</i>	1,412	<i>1,412</i>
Later than 1 year and not later than 5 years	824	<i>941</i>	824	<i>941</i>
	2,236	<i>2,353</i>	2,236	<i>2,353</i>

29. Post balance sheet events

JBG's Business Start Up and Social Enterprise Support services transferred to the Glasgow City Council's Chief Executive department on 1 April 2021. This was following a detailed review and this decision was approved by the JBG Board and City Administration Council.